チヨダウーテ株式会社 JASDAQ

May 18, 2016

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 [Japanese GAAP]

Company name:	Chiyoda Ute Co., Ltd.	Listing:	Tokyo Stock Exchange (JASDAQ)
Stock code:	5387	URL:	http://www.chiyoda-ute.co.jp
Representative:	Haruhisa Hirata, President		
Contact:	Takashi Oida, Director and General Manager of Administration Division Tel: +81-59-364-5215		

Scheduled date of Annual General Meeting of Shareholders: June 28, 2016
Scheduled date of filing of Annual Securities Report: June 28, 2016
Scheduled date of payment of dividend: June 29, 2016
Preparation of supplementary materials for financial results: Yes
Holding of financial results meeting: Yes (for analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	29,903	(1.8)	536	2.3	543	5.3	940	132.7
Fiscal year ended Mar. 31, 2015	30,451	(2.0)	524	688.1	516	-	404	-

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016: 830 (up 39.4%)
Fiscal year ended Mar. 31, 2015: 595 (n.a.)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2016	53.96	-	7.9	1.6	1.8
Fiscal year ended Mar. 31, 2015	26.21	-	3.8	1.5	1.7

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2016: 11 Fiscal year ended Mar. 31, 2015: (18)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	35,496	12,304	34.6	705.15
As of Mar. 31, 2015	34,128	11,556	33.9	662.80

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 12,295 As of Mar. 31, 2015: 11,556

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2016	2,089	(2,157)	51	1,491
Fiscal year ended Mar. 31, 2015	1,700	(774)	(865)	1,507

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2015	-	0.00	-	5.00	5.00	87	19.1	0.8
Fiscal year ended Mar. 31, 2016	-	0.00	-	5.00	5.00	87	9.3	0.7
Fiscal year ending Mar. 31, 2017 (forecast)	-	0.00	-	5.00	5.00		17.1	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	15,000	4.7	60	(47.2)	40	(63.0)	10	(84.4)	0.57
Full year	31,500	5.3	680	26.7	680	25.2	510	(45.8)	29.25

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to page 21 of the attachments "5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" for further information.

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2016:	17,670,000 shares	As of Mar. 31, 2015:	17,670,000 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2016:	233,600 shares	As of Mar. 31, 2015:	233,600 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016:	17,436,400 shares	Fiscal year ended Mar. 31, 2015:	15,422,636 shares

* Indication of audit procedure implementation status

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. At the time when this report is released, the audit procedures for financial statements have not been completed.

* Explanation of appropriate use of earnings forecasts, and other special items

Note concerning forward-looking statements

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company's management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations" on page 2 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

1) Results of operations in the fiscal year under review

During the fiscal year that ended March 31, 2016, the Japanese economy remained at a standstill with the decline in stock price and appreciation of yen since the beginning of this year despite the improvement of corporate earnings and the moderate recovery of capital expenditures observed in the first half. In addition, the outlook for the global economy remained uncertain because of concerns about falling oil prices and slowing economic growth in China.

Japan's housing market once suffered a severe downturn after the end of the rush to make purchases prior to the April 2014 consumption tax hike, but started to pick up around last summer thanks to various measures to encourage housing purchases and the low interest rate. As a result, new housing starts for the fiscal year 2015 increased 4.6% year on year to 920 thousand. However, the market has struggled to make any headway since the last summer.

In the gypsum board industry, we cannot say that the market has recovered from a decline due to the consumption tax hike. In fact, the market stayed week with shipments for the current fiscal year down 2.9% year on year to 500 million square meters.

The Chiyoda Ute Group (hereinafter "the Group") has made efforts to improve its profitability through further streamlining manufacturing operations at the Shimonoseki Factory with the installation of a wood-chip boiler, and also implementing cost-cutting measures across the Group while increasing sales of gypsum boards and other products such as calcium silicate boards and steel furring.

As a result of the above efforts, net sales for the current fiscal year decreased 1.8% year on year to 29,903 million yen with operating income of 536 million yen, up 2.3% year on year, ordinary income of 543 million yen, up 5.3% year on year, and profit attributable to owners of parent of 940 million yen, up 132.7% year on year primarily because of a gain on sales of non-current assets resulting from the sale of the land and building of Tokyo Branch of the Company.

The Group does not present operating results by business segment because it has only a single business segment.

Also the Group's operating divisions are segmented into the "gypsum board" and "others" segments. Information on business divisions is omitted, as separate reporting would be difficult.

2) Outlook for the next fiscal year

For the fiscal year ending March 31, 2017, the Group expects the Japanese economy to be increasingly uncertain. To date in 2016 it has remained at a standstill mainly due to decline in stock price and appreciation of yen, and we expect capital expenditures to be resilient. On the other hand, private consumption and export have shown no definite recovery trends.

In the housing market, demand has been flat since the last summer, though it had continued to show a sign of recovery backed by policies aimed at encouraging home buying and other measures including expansion of the scope of tax deductions on housing loans and housing benefit, and low interest rate.

The Group has reinforced its sales and marketing structure by upgrading the status of Tokyo Branch to Tokyo Branch Office this spring and relocating and integrating the sales and marketing division and the sales support division into the same office to further improve customer services. In addition, the Group reviewed its manufacturing operations at each plant and is drastically implementing measures to streamline the manufacturing process and improve efficiency. One example is the conversion of dryers to increase thermal efficiency at the Chiba Plant. Moreover, we will also pursue the commercialization of new products to meet customers' needs in areas of business outside gypsum boards as we endeavor to enhance profitability.

For the fiscal year ending March 31, 2017, the Group forecasts net sales of 31,500 million yen (up 5.3% year on year) with operating income of 680 million yen (up 26.7% year on year), ordinary income of 680 million yen (up 25.2% year on year) and profit attributable to owners of the parent of 510 million yen (down 45.8% year on year).

(2) Analysis of Financial Position

1) Balance sheet position

Assets

Total assets increased 1,368 million yen from the end of the previous fiscal year to 35,496 million yen.

Current assets increased 58 million yen from the end of the previous fiscal year. This was mainly due to an increase of 81 million yen in short-term loans receivable and a decrease of 37 million yen in raw materials and supplies.

Non-current assets increased 1,314 million yen from the end of the previous fiscal year. This was mainly due to increases of 938 million yen in land and 383 million yen in buildings and structures primarily in conjunction with acquisition of Tokyo Branch Office.

Liabilities

Total liabilities increased 620 million yen from the end of the previous fiscal year to 23,192 million yen.

Current liabilities decreased 572 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 873 million yen in short-term loans payable.

Non-current liabilities increased 1,193 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,090 million yen in long-term loans payable.

Net assets

Net assets increased 747 million yen from the end of the previous fiscal year to 12,304 million yen.

This was mainly due to a year-on-year increase of 853 million yen in retained earnings because of booking of a profit attributable to owners of parent, which was partially offset by the payment of cash dividends.

2) Cash Flows

Cash and cash equivalents at the end of the current fiscal year decreased 15 million yen from the end of the previous fiscal year to 1,491 million yen.

Cash flow from operating activities

Net cash flow provided by operating activities was 2,089 million yen (compared with net cash provided of 1,700 million for the previous fiscal year).

The main factors to provide positive operating cash flows include booking of profit before income taxes of 1,168 million and depreciation of 1,492 million yen, which were partially offset by gain on sales of non-current assets of 635 million yen in conjunction with sales of land and a building of Tokyo Branch.

Cash flow from investing activities

Net cash flow used in investing activities was 2,157 million yen (compared with net cash used of 774 million for the previous fiscal year).

The main factors include payments of 3,126 million yen for purchase of property, plant and equipment consisting mainly of the acquisition of land and a building of new Tokyo Branch Office and modification of gypsum calcination facilities at the Shimonoseki Plant, which were partially offset by proceeds of 978 million yen from sales of the aged Tokyo Branch building and other properties.

Cash flow from financing activities

Net cash flow provided by financing activities was 51 million yen (compared with net cash used of 865 million for the previous fiscal year).

The main inflows include proceeds of 3,327 million yen from long-term loans payable, which was partially offset by outflows such as repayment of 2,139 million yen in long-term loans payable and a net decrease of 931 million yen in short-term loans payable.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The Company recognizes the ongoing distribution of profits to shareholders as a topmost priority. Accordingly, our basic policy on profit distribution is to maintain stable dividends by increasing internal reserves to strengthen its shareholders' equity.

In accordance with this policy and taking account of the operating performance and the management environment in a comprehensive manner, the Group intends to propose a common dividend of 5 yen per share, which is the same as that for the previous fiscal year, at its 78th annual general meeting of shareholders to be held on June 28, 2016.

Regarding the dividends for the next fiscal year, the Group forecasts a year-end dividend of 5 yen per share.

(4) Business and Other Risks

The Group perceives the following risks that could affect its operating performance and financial condition, and believes these factors could influence investors' judgments.

Forward-looking statements in this section are based on the judgments of management as of March 31, 2016.

1) Risk of a decrease in demand due to a change in business climate

The Group produces and sells gypsum boards, which are used as interior construction materials. Accordingly, operating performance may be affected by new housing starts and future refurbishment demand.

2) Risk of a decline in price in competitive environment

The Group's operating performance may be affected by changes in selling prices due to competition from other companies offering gypsum board that is difficult to differentiate from the Group's own in terms of quality.

3) Risk of an increase in procurement cost due to a change in market situation

Fluctuations in the market prices of key materials used to manufacture gypsum board and fuel charges could cause procurement costs to rise. These factors could affect the Group's operating performance.

2. Corporate Group

The Group comprises Chiyoda Ute Co., Ltd. (“the Company”), 16 subsidiaries (10 consolidated subsidiaries and 6 non-consolidated subsidiaries) and 2 affiliates. The Group has a single business segment and conducts its operations, primarily the production and sale of building materials centered on gypsum boards.

The operational positioning of the Group companies in connection with each operating division is as follows.

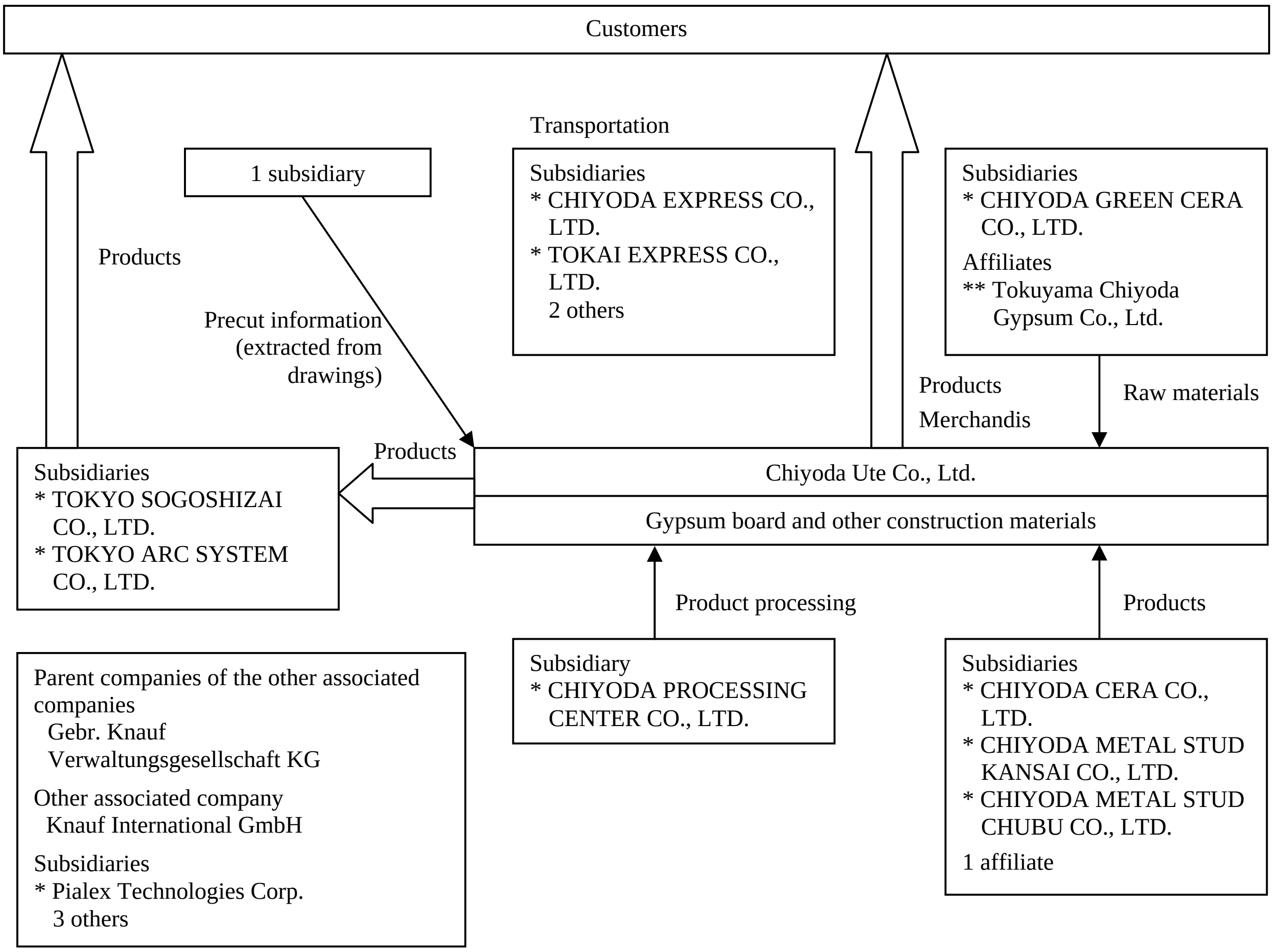
Gypsum board

Production and sale	Chiyoda Ute Co., Ltd.
Sale	TOKYO SOGOSHIZAI CO., LTD., TOKYO ARC SYSTEM CO., LTD.
Transportation	CHIYODA EXPRESS CO., LTD., TOKAI EXPRESS CO., LTD.
Product processing	CHIYODA PROCESSING CENTER CO., LTD.

Other

Chiyoda Ute Co., Ltd. (sale of purchased merchandise other than gypsum boards)
CHIYODA GREEN CERA CO., LTD., CHIYODA CERA CO., LTD.,
CHIYODA METAL STUD CHUBU CO., LTD.
CHIYODA METAL STUD KANSAI CO., LTD., Pialex Technologies Corp.

The following is a diagram to describe the business operations of the Group.



* : Consolidated subsidiaries
**: Equity-method affiliates

3. Management Policies

(1) Basic Management Policy

Unrelenting in its efforts to augment quality, as a specialized manufacturer of construction materials, the Chiyoda Ute Group aims to consistently reinforce its unique product development capabilities (Unique TEchnology) in order to develop and provide the market with highly functional high-value-added products that meet society’s needs.

(2) Performance Targets

To ensure its ability to distribute profits to shareholders and bolster internal reserves in accordance with its Basic Policy for Profit Distribution, the Group is endeavoring to improve profitability by increasing its ordinary margin on net sales.

(3) Medium- and Long-term Management Strategy

As part of our long-term management strategy, the Group will strive to establish and commercialize a gypsum board recycling system and achieve zero factory waste, with “environment” as a core value of the company and in an ongoing bid to develop gypsum board products that are friendly to people and the earth.

In the medium run, the Group has will make every effort to increase its profitability to achieve a targeted rate of ordinary income to net sales. Specifically, we are working hard to enhance production efficiency without making compromises and pursue strong sales capabilities with high-value-added products through collaboration between production and sales divisions.

Moreover, we focus on developing a new promising business and intend to augment levels of growth and profitability, with formulating various measures to highlight and assimilate the distinctiveness and strengths of individual Group companies.

In the future, the Group will promote to build sustainable and stable fundamentals of our business mainly composed of gypsum board business and increase corporate value.

(4) Challenges

During the fiscal year ending March 31, 2017, the Group expects the Japanese economy to be increasingly uncertain. To date in 2016 it has remained at a standstill mainly due to decline in stock price and appreciation of yen, and we expect capital expenditures to be resilient. On the other hand, private consumption and export have shown no definite recovery trends.

In the housing market, demand has been flat since summer in 2015, though it had continued to show a sign of recovery backed by policies aimed at encouraging housing purchases and other measures and low interest rate.

In this environment, to further improve customer services, the Group has upgraded the status of Tokyo Branch to Tokyo Branch Office this spring and the sales and marketing divisions and the sales support divisions were relocated into this office for more integrated operations. In addition, the Group thoroughly revised issues in our manufacturing operations at each plant and is drastically implementing measures for streamlining manufacturing process and improving efficiency. One example is the conversion of dryers to increase thermal efficiency at the Chiba Plant. On another front, we will also pursue the commercialization of new products in areas of business outside gypsum boards that are aligned with customers’ needs as we endeavor to enhance profitability.

Furthermore, the Group has just started actions to solve issues for the purpose of establishing a secure footing which enables us to weather uncertain operating environment and earn stable profits. We extracted challenges in various fields such as sales, production, purchase, inventory control, and logistics, and launched a working group without internal functional barriers. Through these activities, the Group intends to increase our corporate value on a sustainable basis.

4. Basic Approach for the Selection of Accounting Standards

As the Chiyoda Ute Group's operations are limited to Japan and we have no overseas activity, we expect to employ Japanese accounting standards for the foreseeable future. However, we intend to consider the future adoption of International Financial Reporting Standards (IFRS), depending on our percentage of foreign shareholders and adoption trends among other companies in Japan.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits	1,633,387	1,652,117
Notes and accounts receivable-trade	5,493,915	5,434,620
Merchandise and finished goods	1,346,413	1,339,710
Work in process	132,641	163,432
Raw materials and supplies	1,395,600	1,358,422
Deferred tax assets	263,183	240,292
Other	279,895	381,828
Allowance for doubtful accounts	(107,542)	(74,684)
Total current assets	10,437,496	10,495,742
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,308,527	12,861,568
Accumulated depreciation	(7,472,519)	(7,642,369)
Buildings and structures, net	4,836,007	5,219,199
Machinery, equipment and vehicles	23,191,202	23,844,419
Accumulated depreciation	(19,114,120)	(20,063,059)
Machinery, equipment and vehicles, net	4,077,081	3,781,359
Land	9,676,056	10,614,529
Leased assets	1,775,480	1,868,686
Accumulated depreciation	(290,178)	(511,928)
Leased assets, net	1,485,301	1,356,758
Construction in progress	129,880	720,298
Other	635,363	690,939
Accumulated depreciation	(537,743)	(571,503)
Other, net	97,619	119,436
Total property, plant and equipment	*2 20,301,948	*2 21,811,582
Intangible assets	376,241	340,397
Investments and other assets		
Investment securities	*1, *2 1,263,689	*1, *2 1,360,269
Long-term loans receivable	358,523	250,711
Deferred tax assets	45,856	45,472
Other	1,356,059	1,208,661
Allowance for doubtful accounts	(29,382)	(29,469)
Total investments and other assets	2,994,747	2,835,646
Total non-current assets	23,672,937	24,987,626
Deferred assets		
Bond issuance cost	17,568	12,770
Total deferred assets	17,568	12,770
Total assets	34,128,003	35,496,138

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,962,952	3,782,286
Short-term loans payable	*2 5,215,154	*2 4,341,832
Current portion of long-term loans payable	*2 1,752,406	*2 1,891,085
Current portion of bonds	80,000	80,000
Accounts payable-other	1,474,430	1,610,463
Income taxes payable	88,978	194,385
Accrued consumption taxes	117,628	159,951
Provision for bonuses	258,076	284,973
Other	738,265	770,044
Total current liabilities	13,687,892	13,115,023
Non-current liabilities		
Bonds payable	1,260,000	1,180,000
Long-term loans payable	*2 4,274,096	*2 5,364,405
Lease obligations	1,340,564	1,279,946
Deferred tax liabilities	159,808	150,954
Provision for directors’ retirement benefits	150,832	164,431
Net defined benefit liability	1,065,940	1,243,827
Asset retirement obligations	127,150	129,859
Negative goodwill	8,969	7,655
Provision for loss on subsidiaries and associates	51,000	61,000
Other	444,895	495,006
Total non-current liabilities	8,883,258	10,077,086
Total liabilities	22,571,151	23,192,110
Net assets		
Shareholders’ equity		
Capital stock	4,674,750	4,674,750
Capital surplus	5,479,135	5,475,135
Retained earnings	1,455,631	2,309,275
Treasury shares	(109,243)	(109,243)
Total shareholders’ equity	11,500,273	12,349,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	276,080	269,094
Remeasurements of defined benefit plans	(219,501)	(323,673)
Total accumulated other comprehensive income	56,578	(54,578)
Non-controlling interests	-	8,690
Total net assets	11,556,852	12,304,028
Total liabilities and net assets	34,128,003	35,496,138

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net sales	30,451,400	29,903,805
Cost of sales	*1, *3 19,587,490	*1, *3 19,153,223
Gross profit	10,863,909	10,750,581
Selling, general and administrative expenses	*2, *3 10,339,132	*2, *3 10,213,960
Operating income	524,777	536,620
Non-operating income		
Interest income	12,515	11,251
Dividend income	29,569	31,784
Rent income	58,268	85,364
Share of profit of entities accounted for using equity method	-	11,359
Revenue from fuel sales	34,084	41,394
Other	172,951	91,361
Total non-operating income	307,388	272,516
Non-operating expenses		
Interest expenses	141,574	130,775
Retirement benefit expenses	44,853	44,853
Share of loss of entities accounted for using equity method	18,393	-
Other	111,183	90,161
Total non-operating expenses	316,003	265,790
Ordinary income	516,162	543,346
Extraordinary income		
Gain on sales of non-current assets	*4 6,515	*4 637,895
Total extraordinary income	6,515	637,895
Extraordinary losses		
Loss on sales of non-current assets	-	*5 754
Loss on retirement of non-current assets	*6 5,940	*6 1,765
Loss on valuation of investment securities	10,400	9,999
Total extraordinary losses	16,340	12,519
Profit before income taxes	506,336	1,168,721
Income taxes-current	96,819	209,429
Income taxes-deferred	5,286	17,929
Total income taxes	102,106	227,358
Profit	404,230	941,363
Profit attributable to non-controlling interests	-	537
Profit attributable to owners of parent	404,230	940,825

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit	404,230	941,363
Other comprehensive income		
Valuation difference on available-for-sale securities	136,976	(6,986)
Remeasurements of defined benefit plans, net of tax	54,439	(104,171)
Total other comprehensive income	* 191,415	* (111,157)
Comprehensive income	595,646	830,205
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	595,646	829,667
Comprehensive income attributable to non-controlling interests	-	537

(3) Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,181,950	4,986,335	872,353	(103,896)	9,936,742
Cumulative effects of changes in accounting policies			313,344		313,344
Restated balance	4,181,950	4,986,335	1,185,697	(103,896)	10,250,086
Changes of items during period					
Issuance of new shares	492,800	492,800			985,600
Dividends of surplus			(45,744)		(45,744)
Profit attributable to owners of parent			404,230		404,230
Purchase of treasury shares				(5,347)	(5,347)
Change of scope of equity method			(37,211)		(37,211)
Decrease resulting from increase in consolidated subsidiaries			(51,340)		(51,340)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		-			-
Increase of consolidated subsidiaries-non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	492,800	492,800	269,934	(5,347)	1,250,186
Balance at end of current period	4,674,750	5,479,135	1,455,631	(109,243)	11,500,273

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	139,104	(273,941)	(134,837)	-	9,801,905
Cumulative effects of changes in accounting policies					313,344
Restated balance	139,104	(273,941)	(134,837)	-	10,115,249
Changes of items during period					
Issuance of new shares					985,600
Dividends of surplus					(45,744)
Profit attributable to owners of parent					404,230
Purchase of treasury shares					(5,347)
Change of scope of equity method					(37,211)
Decrease resulting from increase in consolidated subsidiaries					(51,340)
Change in treasury shares of parent arising from transactions with non-controlling shareholders					-
Increase of consolidated subsidiaries-non-controlling interests				-	-
Net changes of items other than shareholders' equity	136,976	54,439	191,415	-	191,415
Total changes of items during period	136,976	54,439	191,415	-	1,441,602
Balance at end of current period	276,080	(219,501)	56,578	-	11,556,852

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,674,750	5,479,135	1,455,631	(109,243)	11,500,273
Cumulative effects of changes in accounting policies			-		-
Restated balance	4,674,750	5,479,135	1,455,631	(109,243)	11,500,273
Changes of items during period					
Issuance of new shares	-	-			-
Dividends of surplus			(87,182)		(87,182)
Profit attributable to owners of parent			940,825		940,825
Purchase of treasury shares				-	-
Change of scope of equity method			-		-
Decrease resulting from increase in consolidated subsidiaries			-		-
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(4,000)			(4,000)
Increase of consolidated subsidiaries-non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(4,000)	853,643	-	849,643
Balance at end of current period	4,674,750	5,475,135	2,309,275	(109,243)	12,349,916

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	276,080	(219,501)	56,578	-	11,556,852
Cumulative effects of changes in accounting policies					-
Restated balance	276,080	(219,501)	56,578	-	11,556,852
Changes of items during period					
Issuance of new shares					-
Dividends of surplus					(87,182)
Profit attributable to owners of parent					940,825
Purchase of treasury shares					-
Change of scope of equity method					-
Decrease resulting from increase in consolidated subsidiaries					-
Change in treasury shares of parent arising from transactions with non-controlling shareholders					(4,000)
Increase of consolidated subsidiaries-non-controlling interests				8,152	8,152
Net changes of items other than shareholders' equity	(6,986)	(104,171)	(111,157)	537	(110,619)
Total changes of items during period	(6,986)	(104,171)	(111,157)	8,690	747,176
Balance at end of current period	269,094	(323,673)	(54,578)	8,690	12,304,028

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	506,336	1,168,721
Depreciation	1,459,461	1,492,327
Amortization of goodwill	-	5,015
Amortization of negative goodwill	(1,314)	(1,314)
Amortization of bond issuance cost	5,451	4,798
Increase (decrease) in allowance for doubtful accounts	40,317	(15,929)
Increase (decrease) in provision for bonuses	8,833	26,897
Increase (decrease) in net defined benefit liability	51,099	74,347
Increase (decrease) in provision for directors' retirement benefits	(146)	13,599
Increase (decrease) in provision for loss on subsidiaries and affiliates	22,000	10,000
Interest and dividend income	(42,085)	(43,035)
Interest expenses	141,574	130,775
Share of (profit) loss of entities accounted for using equity method	18,393	(11,359)
Loss (gain) on sales and retirement of non-current assets	(574)	(635,375)
Loss (gain) on valuation of investment securities	10,400	9,999
Decrease (increase) in notes and accounts receivable-trade	586,172	137,122
Decrease (increase) in inventories	(603,396)	29,953
Increase (decrease) in notes and accounts payable-trade	(144,983)	(204,753)
Increase (decrease) in accrued consumption taxes	105,507	38,148
Decrease (increase) in other assets	(21,910)	(56,627)
Increase (decrease) in other liabilities	(270,542)	116,200
Subtotal	1,870,594	2,289,512
Interest and dividend income received	42,457	43,937
Interest expenses paid	(141,324)	(128,107)
Income taxes (paid) refund	(71,568)	(115,448)
Net cash provided by (used in) operating activities	1,700,158	2,089,894
Cash flows from investing activities		
Payments into time deposits	(8,054)	(34,498)
Proceeds from withdrawal of time deposits	-	200,000
Purchase of property, plant and equipment	(1,230,642)	(3,126,819)
Proceeds from sales of property, plant and equipment	6,658	978,722
Purchase of investment securities	(39,055)	(46,625)
Proceeds from cancellation of insurance funds	366,555	-
Payments of loans receivable	(39,687)	(118,658)
Collection of loans receivable	153,421	145,144
Purchase of shares of subsidiaries	-	(67,760)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	*2 (51,390)
Other, net	16,196	(35,468)
Net cash provided by (used in) investing activities	(774,608)	(2,157,353)

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(1,590,974)	(931,322)
Proceeds from long-term loans payable	2,151,200	3,327,994
Repayments of long-term loans payable	(1,876,359)	(2,139,006)
Redemption of bonds	(160,000)	(80,000)
Proceeds from issuance of common shares	985,600	-
Cash dividends paid	(45,740)	(87,254)
Repayments of lease obligations	(328,917)	(220,937)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(4,000)
Other, net	-	186,217
Net cash provided by (used in) financing activities	(865,191)	51,690
Net increase (decrease) in cash and cash equivalents	60,358	(15,768)
Cash and cash equivalents at beginning of period	1,438,181	1,507,190
Increase in cash and cash equivalents from newly consolidated subsidiary	8,650	-
Cash and cash equivalents at end of period	*1 1,507,190	*1 1,491,421

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number and names of consolidated subsidiaries: 10
TOKYO SOGOSHIZAI CO., LTD.
CHIYODA EXPRESS CO., LTD.
CHIYODA GREEN CERA CO., LTD.
TOKAI EXPRESS CO., LTD.
TOKYO ARC SYSTEM CO., LTD.
CHIYODA CERA CO., LTD.
CHIYODA METAL STUD CHUBU CO., LTD.
CHIYODA METAL STUD KANSAI CO., LTD.
CHIYODA PROCESSING CENTER CO., LTD.
Pialex Technologies Corp.

Effective from the current fiscal year, Pialex Technologies Corp. has been included in the scope of consolidation as a consolidated subsidiary in conjunction with the acquisition of its shares by the Company.

(2) Names of non-consolidated subsidiaries
DONAN BUTSURYU CO., LTD.
CHIYODA CERA HANBAI CO., LTD.
KOYO CO., LTD.
CHIYODA RENOVATE CO., LTD.
SONTAN JAPAN CO., LTD.
EBA SERVICE CO., LTD.

Reason for exclusion

These subsidiaries are not included in the scope of consolidation since each of them is a small-scale business whose total assets, net sales, net income/loss (equity in earnings) and retained earnings (equity in earnings) have no significant effect on the overall results of the consolidated financial statements.

2. Application of equity method

(1) Number and name of equity-method affiliates: 1
Tokuyama Chiyoda Gypsum Co., Ltd.

(2) Names of non-consolidated subsidiaries and affiliates not accounted for by the equity method

Non-consolidated subsidiaries
DONAN BUTSURYU CO., LTD.
CHIYODA CERA HANBAI CO., LTD.
KOYO CO., LTD.
CHIYODA RENOVATE CO., LTD.
SONTAN JAPAN CO., LTD.
EBA SERVICE CO., LTD.

Affiliates
Chubu Construction Materials Center Co., Ltd.

Reason for not accounted for by the equity method

The non-consolidated subsidiaries and affiliates are not accounted for under the equity method since they have a very minor effect on net income/loss (equity in earnings) and retained earnings (equity in earnings), and are relatively insignificant in the context of the consolidated financial statements.

3. Fiscal years of consolidated subsidiaries

The fiscal years of consolidated subsidiaries end on the closing date of the consolidated financial statements.

4. Accounting standards

(1) Valuation standards and methods for principal assets

i. Marketable securities

Available-for-sale securities

Securities with market quotations

Stated at market value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

ii. Inventories

Inventories are valued at cost. (The carrying value on the balance sheet is written down to reflect the effect of lower profit margins.)

a. Finished goods and work in process

Stated at cost determined by the periodic average method.

b. Merchandise, raw materials and supplies

Stated at cost determined by the first-in first-out method.

(2) Depreciation and amortization of significant depreciable assets

i. Property, plant and equipment (excluding lease assets)

Buildings

The Company uses the straight-line method, and the consolidated subsidiaries use the declining-balance method.

However, depreciation on the buildings which were acquired on or after April 1, 1998 (excluding the facilities attached to the buildings) is calculated by the straight-line method.

Others

Declining-balance method.

However, three plants including the Okayama plant of the Company, CHIYODA CERA CO., LTD. and CHIYODA PROCESSING CENTER CO., LTD. use the straight-line method.

Useful life of principle assets is as follows:

Buildings and structures:	7-50 years
Machinery, equipment and vehicles:	4-12 years

ii. Intangible assets (excluding lease assets)

Amortization of intangible assets is calculated by the straight-line method.

Software for internal use is amortized over an expected useful life of five years by the straight-line method.

iii. Leased assets

Lease assets associated with finance leases where there is transfer of ownership

The same method as amortization method used for non-current assets held by the Company is applied.

Lease assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied over the lease period used as the useful life of the assets.

For finance lease transactions where there is no transfer of ownership beginning on or before March 31, 2008, depreciation is calculated using an accounting method that is based on the method used for ordinary lease transactions.

iv. Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method.

(3) Accounting for significant deferred assets

Bond issuance cost

Bond issuance costs are amortized over the redemption period of the related bonds by the straight-line method.

(4) Accounting for significant allowance

i. Allowance for doubtful accounts

To prepare for credit losses on receivables, an allowance equal to the estimated amount of uncollectible receivables is provided for general receivables based on the historical write-off ratio, and bad receivables based on a case-by-case determination of collectibility.

ii. Provision for bonuses

To provide for accrued bonuses for employees, an allowance is provided at the amount based on the estimated bonus obligations in the current fiscal year.

iii. Provision for directors' retirement benefits

To prepare for payments of directors' retirement benefits, allowances are provided for the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on retirement benefits for directors and auditors.
Allowances are not provided at consolidated subsidiaries since there are no rules for directors' retirement benefits.

iv. Provision for loss on subsidiaries and associates

To prepare for possible losses at affiliated companies, allowances are provided at the amount based on financial conditions of as well as estimated amount of uncollectible receivables from affiliated companies.

(5) Accounting method for retirement benefit obligations

i. Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the benefit formula standard as the method for attributing estimated retirement benefit obligations to periods.

ii .Amortization of actuarial difference, prior service cost, and transition obligation

The transition obligation (669,573 thousand yen) is expensed using the straight-line method over a period of 15 years.
The prior service cost is expensed using the straight-line method based on the specified number of years (12 years) within the average length of remaining work period of employees.
The actuarial differences are mainly amortized and charged to expense in the year following the fiscal year in which such actuarial differences are recognized by the straight-line method based on the average length of remaining work period of employees.

(6) Accounting for hedges

i. Hedging method

Interest rate swaps are recorded using the short-cut method since the interest rate swaps that the Company uses qualify for special treatment.

ii. Hedging instruments and risks hedged

Hedging instruments: Interest rate swaps
Risks hedged: Borrowings

iii. Hedging policy

The Company uses interest rate swaps for converting the floating interest rate on certain borrowings from financial institutions into a fixed interest rate. The Company follows its policy of not engaging in transactions for speculation purposes or that have high leverage effect.

iv. Evaluation method for the effectiveness of hedges

The effectiveness of the hedge is not evaluated since the interest rate swap transaction qualifies for special treatment.

(7) Amortization method and amortization period of goodwill

Goodwill is amortized by the straight-line method over a period of five years. Negative goodwill is amortized over a period of 20 years by the straight-line method.

(8) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents consist of vault cash, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible known amounts of cash and present insignificant risk of change in value.

(9) Accounting for consumption taxes

Consumption taxes are accounted by the tax-exclusion method.

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

The Company has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. from the current fiscal year. Accordingly, difference arising from changes in the Company's ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising from determination of the provisional accounting treatment on the consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the previous fiscal year have been revised.

The Company has adopted these accounting standards, etc. from the beginning of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

In the consolidated statement of cash flows for the current fiscal year, cash flows associated with purchase or sales of shares of subsidiary not resulting in changes in the scope of consolidation are included in cash flows from financing activities. On the other hand, cash flows associated with acquisition costs of shares of subsidiary resulting in changes in the scope of consolidation or expenses associated with purchase or sales of shares of subsidiary not resulting in changes in the scope of consolidation are included in cash flows from operating activities.

The effect of above changes on the consolidated financial statements and per share information for the current fiscal year is immaterial.

Reclassifications

(Consolidated statement of income)

"Insurance income," which was separately presented under "Non-operating income" in the previous fiscal year is included in "Other" in the current fiscal year since the amount fell below 10/100 of total non-operating income. The consolidated financial statements for the previous fiscal year are reclassified to conform to the current-period presentation.

As a result, "Insurance income" (97,553 thousand yen) and "Other" (75,397 thousand yen) under "Non-operating income" shown in the previous fiscal year's consolidated statement of income is reclassified into "Other" (172,951 thousand yen).

Additional Information

(Revised amount of deferred tax assets and deferred tax liabilities following the change in the corporate tax rate, etc.)

Following the enactment on March 29, 2016 of the "Act for Partial Revision of the Income Tax Act, etc.," and the "Act for Partial Revision of the Local Tax Act, etc.," the statutory effective tax rate for the calculation of deferred tax assets and deferred tax liabilities (including only those to be reversed on or after April 1, 2016) is lowered from 31.5% for the previous fiscal year to 30.1% for recovery or payment to be scheduled from April 1, 2016 to March 31, 2018, and to 29.9% from April 1, 2018.

The effect of this change was to decrease deferred tax assets (after deducting deferred tax liabilities) by 10,250 thousand yen, and to increase deferred income taxes for the current fiscal year by 16,405 thousand yen, valuation difference on available-for-sale securities by 6,141 thousand yen and remeasurements of defined benefit plans, net of tax, by 12 thousand yen.

Notes to Consolidated Balance Sheet

*1. Investment securities for non-consolidated subsidiaries and affiliates are as follows. (Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Investment securities (stock)	80,995	160,115

*2. Collateralized assets and corresponding liabilities

Collateralized assets (Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Buildings and structures	2,381,234	2,267,872
Machinery and equipment	2,476,570	2,317,454
Land	2,022,175	2,051,373
Investment securities	47,345	35,870
Total	6,927,326	6,672,569

Factory foundation installation of those mentioned above (Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Buildings and structures	2,294,602	2,182,756
Machinery and equipment	2,476,570	2,317,454
Land	1,737,808	1,737,808
Total	6,508,982	6,238,018

Liabilities corresponding to the above (Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Short-term loans payable	30,000	68,000
Current portion of long-term loans payable	1,557,920	1,607,889
Long-term loans payable	3,366,211	4,055,756
Total	4,954,131	5,731,645

3. Balances of discounted notes receivable, notes receivable transferred by endorsement and liquidated receivables

(Thousands of yen)

	FY3/15 (As of Mar. 31, 2015)	FY3/16 (As of Mar. 31, 2016)
Discounted notes receivable	119,304	125,290
Notes receivable transferred by endorsement	-	2,590
Liquidated notes receivables	2,245,102	2,155,267
Subject to a special agreement where repurchase of notes receivable shall be obligated only when notes receivables in trust cannot be collected.		
Balance of liquidated electronically recorded monetary claims	-	80,158
Subject to a special agreement where repurchase of electronically recorded monetary claims shall be obligated only when they cannot be paid.		

Notes to Consolidated Statement of Income

*1. Ending inventories are shown after written down on the book values to reflect declines in profitability. The following loss on valuation of inventories (reversal method) is included in cost of sales. (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
	(10,307)	22,004

*2. Major items of selling, general and administrative expenses (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Freightage expenses	6,667,804	6,415,301
Provision of allowance for doubtful accounts	40,209	-
Salaries and bonuses	1,161,415	1,215,882
Provision for bonuses	131,290	147,713
Retirement benefit expenses	94,977	95,751
Provision for directors' retirement benefits	26,001	13,599
Depreciation	125,838	123,400

*3. Research and development expenses included in general and administrative expenses and current period manufacturing costs (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
	206,885	203,998

*4. Items included in gain on sales of non-current assets (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	-	(7,653)
Machinery, equipment and vehicles	6,515	1,699
Land	-	643,848
Total	6,515	637,895

(Note) When gain on sales of certain accounts of non-current assets and loss on sales of certain other accounts of non-current assets were recorded in the sales agreement of the same property, loss on sales was netted against gain on sales and the net amount is presented as gain on sales of non-current.

*5. Items included in loss on sales of non-current assets (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Machinery, equipment and vehicles	-	754
Total	-	754

*6. Items included in loss on retirement of property, plant and equipment (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	4,827	350
Machinery and equipment	766	179
Other	347	1,236
Total	5,940	1,765

Notes to Consolidated Statement of Comprehensive Income

* Reclassification adjustments and tax effect with respect to other comprehensive income (Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Valuation difference on available-for-sale securities:		
Amount incurred during the current period	189,687	(19,164)
Reclassification adjustments	-	-
Before tax effect adjustments	189,687	(19,164)
Tax effect	(52,710)	12,178
Valuation difference on available-for-sale securities	136,976	(6,986)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the current period	(11,446)	(163,068)
Reclassification adjustments	66,661	59,529
Before tax effect adjustments	55,214	(103,539)
Tax effect	(775)	(631)
Remeasurements of defined benefit plans, net of tax	54,439	(104,171)
Total other comprehensive income	191,415	(111,157)

Notes to Consolidated Statement of Changes in Equity

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type and number of issued shares (Shares)

Type of share	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Common stock	15,470,000	2,200,000	-	17,670,000

Outline of changes

Increase due to third-party allotment as of March 3, 2015: 2,200,000 shares

2. Type and number of treasury shares (Shares)

Type of share	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Common stock	222,000	11,600	-	233,600

Outline of changes

Acquisition of treasury shares as a result of exercise of security interest: 11,600 shares

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2014	Common stock	45,744	3.00	Mar. 31, 2014	Jun. 27, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2015	Common stock	Retained earnings	87,182	5.00	Mar. 31, 2015	Jun. 29, 2015

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

1. Type and number of issued shares (Shares)

Type of share	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Common stock	17,670,000	-	-	17,670,000

2. Type and number of treasury shares (Shares)

Type of share	Number of shares as of Apr. 1, 2015	Increase	Decrease	Number of shares as of Mar. 31, 2016
Common stock	233,600	-	-	233,600

3. Dividends

(1) Dividend payment

Resolution	Type of share	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2015	Common stock	87,182	5.00	Mar. 31, 2015	Jun. 29, 2015

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Source of funds	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 28, 2016	Common stock	Retained earnings	87,182	5.00	Mar. 31, 2016	Jun. 29, 2016

Notes to Consolidated Statement of Cash Flows

*1. Reconciliation of cash and cash equivalents at the end of the fiscal year and amount of balance sheet is made as follows:

(Thousands of yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Cash and deposits	1,633,387	1,652,117
Time deposits with maturities over 3 months	(126,197)	(160,695)
Cash and cash equivalents	1,507,190	1,491,421

*2. Details of assets and liabilities of a company that has newly become a consolidated subsidiaries as a result of acquisition of its shares

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

Not applicable.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

The following are assets and liabilities at the start of consolidation in conjunction with newly including Pialex Technologies Corp. in the scope of consolidation as a result of acquisition of its shares, the acquisition cost of shares of Pialex Technologies Corp. and the amount of net cash disbursement to acquire it.

	(Thousands of yen)
Current assets	129,996
Non-current assets	65,854
Goodwill	50,158
Current liabilities	(99,422)
Non-current liabilities	(49,038)
Non-controlling interests	(8,152)
Acquisition cost of shares	89,395
Less: cash and cash equivalents held by Pialex Technologies	38,005
Net cash disbursement for acquisition	51,390

3. Significant non-cash transactions

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

The amount of assets and liabilities associated with finance lease transactions that was recognized during the current fiscal year is 1,136,400 thousand yen.

FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)

The amount of assets and liabilities associated with finance lease transactions that was recognized during the current fiscal year is 260,940 thousand yen.

Omission of Disclosure

Disclosure of the notes on leases, financial instruments, marketable securities, derivatives, retirement benefits, deferred tax accounting, business combinations, asset retirement obligations, and rental and other properties was omitted in this report due to the minor necessity of disclosure.

Stock Options

Not applicable.

Segment and Other Information

The Group conducts its operations in a single area of business: primarily the production and sale of interior construction materials centered on gypsum board and ancillary operations.

As the Group has no business segments, reporting of segment information is omitted.

Per-share Information

(Yen)

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share	662.80	705.15
Net income per share	26.21	53.96

Notes: 1. Diluted net income per share is not presented since the Company had no dilutive potential shares.
2. The basis of calculating the net income per share is as follows:

	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/16 (Apr. 1, 2015 – Mar. 31, 2016)
Profit attributable to owners of parent (Thousands of yen)	404,230	940,825
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent applicable to common shares (Thousands of yen)	404,230	940,825
Average number of common shares outstanding (Shares)	15,422,636	17,436,400

Material Subsequent Events

Not applicable.

6. Others

(1) Changes in Directors

Not yet determined.

An announcement will be made separately once a decision has been reached concerning changes in directors.

(2) Other Information

Not applicable.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.