



Consolidated Basis Results of the Fiscal 2016 (April 1, 2016 – March 31, 2017)

May 12, 2017

Registered Company name: TOPY INDUSTRIES, LIMITED

Stock listing: Tokyo, Nagoya stock exchanges

Code number: 7231

URL: <http://www.topy.co.jp/english/index.html>

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Scheduled date for holding of ordinary general meeting of shareholders: June 23, 2017

Scheduled date for dividend payment: June 2, 2017

Scheduled date for submission of securities report: June 23, 2017

Preparation of supplementary explanatory materials: Yes

Holding of financial results meeting: Yes (for analysts and institutional investors)

(Figures of less than ¥1 million have been omitted)

1. Consolidated Financial and Operating Results of the Fiscal 2016 (April 1, 2016 - March 31, 2017)

(1) Consolidated Operating Results (Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2016	208,237	(3.5)	7,180	(28.2)	6,116	(30.5)	7,191	322.9
Fiscal 2015	215,872	(9.2)	10,000	55.7	8,806	45.8	1,700	(27.9)

(Note) Comprehensive income: Fiscal 2016 ¥7,702 million –%
Fiscal 2015 (¥6,860) million –%

	Profit per share	Profit per share after full dilution	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal 2016	303.90	–	7.1	2.7	3.4
Fiscal 2015	71.80	–	1.7	3.6	4.6

(For reference) Share of (profit) loss of entities accounted for using equity method: Fiscal 2016 ¥81 million
Fiscal 2015 ¥232 million

(2) Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2016	223,050	104,853	46.6	4,426.81
Fiscal 2015	231,583	99,973	42.7	4,175.99

(For reference) Shareholders' equity: Fiscal 2016 ¥103,951 million
Fiscal 2015 ¥98,893 million

* The Company consolidated ten shares of its common stock into one share on October 1, 2016, the effective day. As a result, profit per share and net assets per share have been calculated under the assumption that the aforementioned consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal 2016	10,130	(1,016)	(16,861)	16,349
Fiscal 2015	19,346	(7,529)	(8,391)	24,599

2. Dividends

	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal 2015	–	1.00	–	5.00	6.00	1,421	83.6	1.4
Fiscal 2016	–	1.00	–	70.00	–	1,885	26.3	1.9
Fiscal 2017 (Forecasts)	–	20.00	–	50.00	70.00	–	33.5	–

* The Company consolidated ten shares of its common stock into one share on October 1, 2016, the effective day. As a result, the year-end dividends per share for Fiscal 2016 presented are the amount that takes into account the effects of the aforementioned consolidation of shares, and full-year dividends per share for fiscal 2016 shows “–.” When the consolidation of shares is not taken into account, the year-end dividends per share for fiscal 2016 are ¥7 and full-year dividends per share for fiscal 2016 are ¥8.

3. Consolidated Financial Forecasts for Fiscal 2017 (April 1, 2017 - March 31, 2018)

(Percentage figures are changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	110,000	13.2	2,000	3.6	2,100	113.3	1,300	10.4	55.36
Full year	227,000	9.0	7,500	4.5	7,400	21.0	4,900	(31.9)	208.67

* NOTE

(1) Changes in the State of Material Subsidiaries during the Period: None
 Newly included: – Excluded: –

(2) Changes in Accounting Principles, Changes in Accounting Estimates, and Retrospective Restatements
 (a) Changes in accounting principles accompanying the amendment of accounting standards: Yes
 (b) Changes other than those in (a) above: None
 (c) Changes in accounting estimates: None
 (d) Retrospective restatements: None

(3) Number of Shares Issued (Common shares)

(a) Number of shares issued at the end of the period (including treasury stock)
 Fiscal 2016 24,077,510 shares Fiscal 2015 24,077,510 shares
 (b) Number of treasury stock at the end of the period
 Fiscal 2016 595,205 shares Fiscal 2015 396,119 shares
 (c) Average number of shares issued during the period
 Fiscal 2016 23,662,858 shares Fiscal 2015 23,682,476 shares

* The Company consolidated ten shares of its common stock into one share on October 1, 2016, the effective day. As a result, number of shares issued at the end of the period, number of treasury stock at the end of the period, and average number of shares issued during the period have been calculated under the assumption that the aforementioned consolidation of shares was carried out at the beginning of the previous consolidated fiscal year.

(For reference) Non-Consolidated Results

1. Non-Consolidated Financial and Operating Results of the Fiscal 2016 (April 1, 2016 - March 31, 2017)

(1) Non-Consolidated Operating Results (Percentage figures are changes from the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2016	122,501	(4.0)	2,493	(49.1)	4,822	(19.0)	6,677	295.1
Fiscal 2015	127,583	(9.4)	4,898	17.1	5,950	(1.5)	1,690	(41.4)

	Profit per share	Profit per share after full dilution
	Yen	Yen
Fiscal 2016	282.15	–
Fiscal 2015	71.35	–

(2) Non-Consolidated Financial Results

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal 2016	174,125	77,907	44.7	3,317.20
Fiscal 2015	171,278	71,981	42.0	3,039.14

(For reference) Shareholders' equity: Fiscal 2016 ¥77,907 million
 Fiscal 2015 ¥71,981 million

* The Company consolidated ten shares of its common stock into one share on October 1, 2016, the effective day. As a result, profit per share and net assets per share have been calculated under the assumption that the aforementioned consolidation of shares was carried out at the beginning of the previous fiscal year.

2. Non-Consolidated Financial Forecasts for Fiscal 2017 (April 1, 2017 - March 31, 2018)

(Percentage figures are changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	66,000	11.9	700	(3.6)	1,500	(32.1)	1,100	(43.0)	46.84
Full year	132,000	7.8	2,300	(7.8)	3,500	(27.4)	2,600	(61.1)	110.70

* Consolidated Basis Results presented in this format are not subject to auditing.

* Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

(Caution concerning future descriptions etc.)

The above estimate has been compiled based on information available at the time this disclosure was made. The actual earnings are subject to change from the estimated values due to various factors. For assumed conditions underlying the earnings forecast and cautionary statements in using the earnings forecast, please refer to "1. Overview of Operating Results" on page 4.

(Obtaining supplementary documents of financial results)

Supplementary documents will be posted on the Company's website.

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Note: This document has been translated from the original Japanese version for reference purposes only. In the event of any discrepancy between this translated document and the original Japanese version, the original shall prevail.
The original disclosure in Japanese was released on May 12th, 2017 at 13:30 (GMT+9).
The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

Operating Results for the Consolidated Fiscal Year under review

During the consolidated fiscal year under review, the global economy as a whole showed a slight recovery. The U.S. economy was strong and the European economy was on track to recovery. China and emerging economies began to show signs of a turnaround in the middle of the fiscal year. The Japanese economy also experienced a slight recovery, with improvement in the employment environment and a rally in industrial production.

Under these conditions, the Topy Industries Group started the medium-term consolidated management plan, “Growth & Change 2018,” under which the Group aims to achieve sustainable growth and become a company that provides job satisfaction to its Employees. As one part of this plan, the Group accelerated its global business development. This included strengthening the strategic partnership with MW ITALIA S.R.L. in the steel wheel business and efforts to strengthen the production capacity of industrial fasteners at overseas bases. For the purpose of adapting to changes in business circumstances, such as a decrease in domestic demand for steel wheels, we embarked on work toward the reorganization of Ring Techs Co., Ltd. into a wholly-owned subsidiary. In addition, we continued our efforts to construct a production system that can respond to demand, improve productivity and lower costs through energy conservation activities.

As a result, net sales for the consolidated fiscal year under review for the Topy Industries Group were ¥208,237 million (year-to-year comparison, 3.5% decrease), operating profit was ¥7,180 million (year-to-year comparison, 28.2% decrease) and ordinary profit was ¥6,116 million (year-to-year comparison, 30.5% decrease). Profit attributable to owners of parent ended at ¥7,191 million (year-to-year comparison, 322.9% increase) after recording an extraordinary gain on transfer of noncurrent assets.

Performance by Segment

(Steel Business)

In the electric steel furnace industry, crude steel production climbed from the previous year because demand for steel materials for construction began to rally in the second half of the fiscal year. Meanwhile, the industry continued to experience adverse circumstances. Amid the sluggishness in the steel material market, the price of steel scrap as a main material began to rise sharply in the middle of the period.

In this environment, the Topy Industries Group worked to cultivate demand for deformed section steel to achieve sales volume growth. Net sales came to ¥63,803 million (year-to-year comparison, 0.1% increase). Operating profit was ¥2,882 million (year-to-year comparison, 40.1% decrease) due to a decrease in the gap between sales prices and prices of steel scrap, despite efforts to improve sales prices in response to sharply soaring steel scrap prices.

(Automotive & Industrial Machinery Components Business)

In the automotive industry, despite sluggish sales of light vehicles and a decrease in exports of trucks, domestic and overseas sales of ordinary passenger vehicles were strong. Domestic automobile production therefore remained almost unchanged year on year. U.S. demand was high. The construction machinery industry showed a recovery trend after a rise in public investment in China, although domestic demand contracted. Demand for mining machinery also showed signs of recovery.

In this environment, net sales declined 3.3% year on year, to ¥129,681 million. This mainly reflected the effects of a stronger yen as well as a fall in sales volume of wheels for trucks, although sales volume of undercarriage parts of construction machinery increased centered on China. On the other hand, operating profit rose 22.6% year on year, to ¥6,524 million. This was attributable to the increased sales volume of undercarriage parts of construction machinery, the integration of production bases in China and the positive effect of cost reductions.

(Power Business)

The Group continued the stable supply of electricity through coal fired power generation in line with its business plan. However, because electric power price significantly fell as a result of a sharp drop in crude oil and LNG prices, net sales were ¥8,425 million (year-to-year comparison, 20.7% decrease). On the other hand, because the drop in the price of coal, a power generation fuel, was minimal, operating profit amounted to ¥494 million, down 80.0% year on year.

(Others)

The Topy Industries Group also engages in the manufacture and sales of synthetic mica used in cosmetics and other products, the manufacture and sales of crawler robots, indoor and outdoor sign systems, civil engineering and construction, leasing of real estate such as Topy-Rec Plaza (Minami-Suna, Koto-ku, Tokyo), and the operation of the sports club OSSO. Net sales were ¥6,326 million, and operating profit was ¥1,557 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Asset, liabilities and net assets

Total assets at the end of the consolidated fiscal year under review decreased by ¥8,533 million from the end of the previous consolidated fiscal year, to ¥223,050 million. This was mainly due to a decrease of ¥8,417 million in cash and deposits, an increase of ¥4,194 million in notes and accounts receivable-trade, a decrease of ¥7,260 million in property, plant and equipment and an increase of ¥2,280 million in investment securities.

Liabilities were ¥118,196 million, a decrease of ¥13,413 million from the end of the previous consolidated fiscal year. This mainly reflected an increase of ¥2,794 million in accounts payable, a decrease of ¥14,239 million in interest-bearing debt and a decrease of ¥919 million in income tax payable.

Net assets were ¥104,853 million, an increase of ¥4,880 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥5,770 million in retained earnings, an increase of ¥1,614 million in the valuation difference on available-for-sale securities and a decline of ¥1,594 million in foreign currency translation adjustments. As a result, net assets per share stood at ¥4,426.81 and the net worth ratio was 46.6%.

Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) during this consolidated fiscal year stood at ¥16,349 million (a decrease of ¥8,250 million year on year). This was due to the allocation of increased funds from operating activities to the purchase of property, plant and equipment and the reduction of interest bearing debt in financial activities.

(Cash flows from operating activities)

Funds provided by operating activities during this consolidated fiscal year stood at ¥10,130 million (a decrease of ¥9,215 million year on year). This mainly reflected profit before income taxes and non-controlling interests of ¥10,897 million (an increase of ¥6,216 million year on year), depreciation of ¥10,631 million (a decrease of ¥689 million year on year), gain on sales and retirement of property, plant and equipment of ¥5,434 million (a decrease of ¥5,792 million year on year) and income tax payments of ¥3,386 million (a decrease of ¥325 million year on year).

(Cash flows from investment activities)

Funds used in investment activities during this consolidated fiscal year stood at ¥1,016 million (an increase of ¥6,513 million year on year). This mainly reflected expenditure for the purchase of property, plant and equipment of ¥8,439 million (an increase of ¥988 million year on year) and proceeds from sales of property, plant and equipment of ¥9,637 million (an increase of ¥9,538 million year on year).

(Cash flows from financing activities)

Funds used in financing activities during this consolidated fiscal year stood at ¥16,861 million (a decrease in cash flows of ¥8,470 million year on year). This mainly reflected the net decrease in cash flows of ¥13,680 million for loans payable and bonds (a decrease in cash flows of ¥6,797 million year on year).

(Reference) Cash flow-related indicators

	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016
Equity ratio (%)	42.9	40.5	42.1	42.7	46.6
Equity ratio based on market value (%)	25.0	18.5	26.2	22.7	31.1
The ratio of interest-bearing debt to operating cash flow (years)	3.2	8.6	4.0	3.6	5.5
Interest coverage ratio (times)	18.4	8.0	17.0	16.9	12.0

Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

The ratio of interest-bearing debt to operating cash flow: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

(Note 1) All amounts are on a consolidated basis.

(Note 2) Total market value for stocks is calculated on the basis of the number of outstanding shares, excluding treasury stock.

(Note 3) Cash flows are cash flows from operating activities.

(Note 4) Interest-bearing debt is all the debt with interest on the consolidated balance sheet.

(3) Future Outlook

Going forward, the Japanese economy is expected to recover moderately, supported primarily by improvements in the employment and income conditions as well as the economic measures enacted by the government. However, the business environment surrounding the Group will remain unpredictable due to uncertain factors, such as the protectionist movements centered in Europe and the United States, the outlook of China and emerging economies, and overcapacity in China.

Under these business conditions, the Topy Industries Group started the medium-term consolidated management plan, “Growth & Change 2018.” The implementation period for this plan is three years, and it starts from the current fiscal year. Working in line with this plan, the Group will aim to achieve sustainable growth by steadily carrying out a number of measures. These measures include the acceleration of the global development of the automotive and industrial machinery components businesses that the Group regards as drivers of growth, expanding the lineups of products by taking advantage of the Group’s unique technologies in the steel business, and taking on challenges of developing new businesses related to crawler robots and mica. The Group will work to transform itself into a company that is able to provide job satisfaction to individuals that will play leading roles by ensuring they have every opportunity to fully exhibit their potential.

For the consolidated results of the next fiscal year, the Group forecasts net sales of ¥227,000 million, operating profit of ¥7,500 million, ordinary profit of ¥7,400 million, and ¥4,900 million for Profit attributable to owners of parent.

(4) Basic Profit Allocation Policy, and Dividends for the Current and New Fiscal Year

The Company’s basic policy for profit distribution is to return profits to its shareholders based on the consolidated business results, while at the same time increasing retained earnings for the development of future businesses and the strengthening of corporate structure. The Company will allocate retained earnings to investment in new businesses and the development of new technologies and products that will contribute to long-term, stable business development, thereby enabling it to strengthen its corporate structure and global competitiveness. In terms of the index of profit return based on consolidated business earnings, it will aim for an approximate range of 30% to 35%, a consolidated payout ratio that will be determined after carefully studying the possibility of continuing to pay dividends consistently.

For the year-end dividend for this consolidated fiscal year, the Company plans to pay ¥70 per share in consideration of the basic policy of profit distribution and return to shareholders after the acquisition of 488,200 treasury shares until March 2017, for which the acquisition value totaled ¥1,499 million. If the interim dividend of ¥1 per share that was already paid is converted in view of the ten-for-one reverse share split of common shares that took effect on October 1, 2016, the annual dividend for the fiscal year under review will be ¥80 per share.

In regards to dividends for the next fiscal year, the Company plans to pay ¥70 per year.

2. Basic Policy for the Selection of Accounting Standards

The Group adopts the Japanese accounting standards, taking into account the possibility of comparing terms of consolidated financial statements and performances between the companies. It will work to adopt the International Financial Reporting Standards as appropriate, considering the situation in both Japan and other countries.

3. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous Consolidated Accounting Year (March 31, 2016)	Current Consolidated Accounting Year (March 31, 2017)
Assets		
Current assets		
Cash and deposits	24,997	16,579
Notes and accounts receivable-trade	39,586	43,781
Merchandise and finished goods	12,806	12,337
Work in process	4,305	4,310
Raw materials and supplies	9,506	9,915
Deferred tax assets	1,546	1,530
Other	4,480	5,728
Allowance for doubtful accounts	(43)	(28)
Total current assets	97,186	94,154
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,096	83,348
Accumulated depreciation	(54,746)	(54,051)
Buildings and structures, net	30,349	29,296
Machinery, equipment and vehicles	189,985	179,388
Accumulated depreciation	(141,842)	(134,090)
Machinery, equipment and vehicles, net	48,142	45,298
Land	18,260	15,499
Leased assets	4,288	3,955
Accumulated depreciation	(1,627)	(2,044)
Leased assets, net	2,661	1,910
Construction in progress	1,558	1,849
Other	32,897	32,809
Accumulated depreciation	(30,946)	(31,001)
Other, net	1,951	1,808
Total property, plant and equipment	102,924	95,663
Intangible assets		
Other	1,372	1,722
Total intangible assets	1,372	1,722
Investments and other assets		
Investment securities	24,992	27,272
Long-term loans receivable	620	626
Deferred tax assets	2,689	1,025
Other	1,854	2,681
Allowance for doubtful accounts	(55)	(94)
Total investments and other assets	30,101	31,510
Total non-current assets	134,397	128,895
Total assets	231,583	223,050

(Million yen)

	Previous Consolidated Accounting Year (March 31, 2016)	Current Consolidated Accounting Year (March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,445	20,499
Electronically recorded obligations-operating	10,606	12,348
Short-term loans payable	22,603	16,503
Current portion of bonds	300	3,300
Lease obligations	438	604
Income taxes payable	1,657	738
Other	11,579	11,224
Total current liabilities	66,632	65,218
Non-current liabilities		
Bonds payable	23,800	20,800
Long-term loans payable	23,367	15,227
Lease obligations	2,336	1,765
Deferred tax liabilities	78	789
Provision for corporate officers' retirement benefits	159	195
Reserve for repairs	171	305
Net defined benefit liability	11,011	11,031
Asset retirement obligations	235	177
Liabilities from application of equity method	809	–
Other	3,007	2,683
Total non-current liabilities	64,977	52,977
Total liabilities	131,609	118,196
Net assets		
Shareholders' equity		
Capital stock	20,983	20,983
Capital surplus	18,824	18,625
Retained earnings	54,152	59,922
Treasury shares	(931)	(1,728)
Total shareholders' equity	93,028	97,801
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,995	6,610
Deferred gains or losses on hedges	(13)	(14)
Foreign currency translation adjustment	1,927	332
Remeasurements of defined benefit plans	(1,044)	(778)
Total accumulated other comprehensive income	5,865	6,149
Non-controlling interests	1,080	902
Total net assets	99,973	104,853
Total liabilities and net assets	231,583	223,050

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2015 - March 31, 2016)	Current Consolidated Accounting Year (April 1, 2016 - March 31, 2017)
Net sales	215,872	208,237
Cost of sales	178,201	173,350
Gross profit	37,670	34,886
Selling, general and administrative expenses	27,669	27,706
Operating profit	10,000	7,180
Non-operating income		
Interest income	89	77
Dividends income	706	619
Share of profit of entities accounted for using equity method	232	81
Insurance income	128	133
Other	419	267
Total non-operating income	1,577	1,179
Non-operating expenses		
Interest expenses	1,137	802
Foreign exchange losses	951	728
Other	683	712
Total non-operating expenses	2,772	2,243
Ordinary profit	8,806	6,116
Extraordinary income		
Gain on sales of non-current assets	19	7,104
Gain on sales of investment securities	1,089	54
Subsidy income	448	-
Other	-	38
Total extraordinary income	1,558	7,197
Extraordinary losses		
Loss on sales of non-current assets	69	890
Loss on retirement of non-current assets	308	779
Loss on reduction of non-current assets	440	14
Restructuring loss	4,864	300
Impairment loss	-	356
Other	0	74
Total extraordinary losses	5,683	2,415
Profit before income taxes and non-controlling interests	4,681	10,897
Income taxes - current	2,798	1,750
Income taxes - deferred	536	1,719
Total income taxes	3,335	3,469
Profit	1,345	7,427
Profit (loss) attributable to non-controlling interests	(354)	236
Profit attributable to owners of parent	1,700	7,191

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2015 - March 31, 2016)	Current Consolidated Accounting Year (April 1, 2016 - March 31, 2017)
Profit	1,345	7,427
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,372)	1,563
Deferred gains or losses on hedges	(5)	(0)
Foreign currency translation adjustment	(2,036)	(1,604)
Remeasurements of defined benefit plans, net of tax	(760)	265
Share of other comprehensive income of associates accounted for using equity method	(30)	51
Total other comprehensive income	(8,205)	274
Comprehensive income	(6,860)	7,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(6,340)	7,475
Comprehensive income attributable to non-controlling interests	(519)	226

(3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (April 1, 2015 - March 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of year	20,983	18,824	53,399	(925)	92,281
Changes of items during period					
Dividends of surplus			(947)		(947)
Profit attributable to owners of parent			1,700		1,700
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		0		0	0
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	752	(6)	746
Balance at the end of year	20,983	18,824	54,152	(931)	93,028

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of year	10,399	(8)	3,796	(281)	13,906	1,753	107,941
Changes of items during period							
Dividends of surplus							(947)
Profit attributable to owners of parent							1,700
Purchase of treasury shares							(6)
Disposal of treasury shares							0
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes of items other than shareholders' equity	(5,403)	(5)	(1,869)	(763)	(8,041)	(672)	(8,714)
Total changes of items during period	(5,403)	(5)	(1,869)	(763)	(8,041)	(672)	(7,967)
Balance at the end of year	4,995	(13)	1,927	(1,044)	5,865	1,080	99,973

Current Consolidated Accounting Year (April 1, 2016 - March 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of year	20,983	18,824	54,152	(931)	93,028
Changes of items during period					
Dividends of surplus			(1,421)		(1,421)
Profit attributable to owners of parent			7,191		7,191
Purchase of treasury shares				(1,663)	(1,663)
Disposal of treasury shares		(65)		865	800
Change in ownership interest of parent due to transactions with non-controlling interests		(133)			(133)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(198)	5,770	(797)	4,773
Balance at the end of year	20,983	18,625	59,922	(1,728)	97,801

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of year	4,995	(13)	1,927	(1,044)	5,865	1,080	99,973
Changes of items during period							
Dividends of surplus							(1,421)
Profit attributable to owners of parent							7,191
Purchase of treasury shares							(1,663)
Disposal of treasury shares							800
Change in ownership interest of parent due to transactions with non-controlling interests							(133)
Net changes of items other than shareholders' equity	1,614	(0)	(1,594)	265	284	(178)	106
Total changes of items during period	1,614	(0)	(1,594)	265	284	(178)	4,880
Balance at the end of year	6,610	(14)	332	(778)	6,149	902	104,853

(4) Consolidated Cash Flow Statements

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2015 - March 31, 2016)	Current Consolidated Accounting Year (April 1, 2016 - March 31, 2017)
Cash flows from operating activities		
Profit (loss) before income taxes and non-controlling interests	4,681	10,897
Depreciation	11,321	10,631
Loss on business restructuring	4,480	-
Impairment loss	-	356
Increase (decrease) in allowance for doubtful accounts	17	24
Increase (decrease) in allowance for executive directors' retirement benefits	19	35
Increase (decrease) in allowance for periodic repairs	(347)	134
Increase (decrease) in net defined benefit liability	363	400
Interest and dividend income	(796)	(697)
Interest expenses	1,137	802
Insurance income	(128)	(133)
Share of (profit) loss of entities accounted for using equity method	(232)	(81)
Loss (gain) on sales of short-term and long-term investment securities	(1,089)	(54)
Loss (gain) on valuation of short-term and long-term investment securities	-	4
Loss (gain) on sales and retirement of property, plant and equipment	358	(5,434)
Subsidy income	(448)	-
Loss on reduction of non-current assets	440	14
Decrease (increase) in notes and accounts receivable - trade	4,198	(4,448)
Decrease (increase) in inventories	857	(243)
Increase (decrease) in notes and accounts payable - trade	(4,736)	3,037
Increase/decrease in other assets/liabilities	2,409	(1,934)
Subtotal	22,506	13,313
Interest and dividend income received	830	776
Interest expenses paid	(1,147)	(842)
Proceeds from insurance income	128	133
Income taxes paid	(3,060)	(3,386)
Income taxes refund	88	135
Net cash provided by (used in) operating activities	19,346	10,130

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2015 - March 31, 2016)	Current Consolidated Accounting Year (April 1, 2016 - March 31, 2017)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(91)	142
Purchase of property, plant and equipment	(9,428)	(8,439)
Proceeds from sales of property, plant and equipment	99	9,637
Purchase of investment securities	(26)	(13)
Proceeds from sales of investment securities	1,600	69
Payments for investments in capital	–	(756)
Payments of loans receivable	(28)	(20)
Collection of loans receivable	15	17
Purchase of intangible assets	(133)	(496)
Proceeds from subsidy income	448	–
Payments for liquidation of subsidiaries and associates	–	(809)
Payments for sales of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	–	(365)
Other, net	13	18
Net cash provided by (used in) investing activities	(7,529)	(1,016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(406)	(5,511)
Proceeds from long-term loans payable	3,638	1,074
Repayments of long-term loans payable	(5,299)	(9,241)
Proceeds from issuance of bonds	485	298
Redemption of bonds	(5,300)	(300)
Increase (decrease) in deposits received through CMS	(12)	0
Repayments of lease obligations	(387)	(377)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(352)
Purchase of treasury shares	(6)	(1,663)
Proceeds from disposal of treasury shares	0	800
Cash dividends paid	(948)	(1,419)
Dividends paid to non-controlling interests	(153)	(168)
Net cash provided by (used in) financing activities	(8,391)	(16,861)
Effect of exchange rate change on cash and cash equivalents	(558)	(502)
Net increase (decrease) in cash and cash equivalents	2,865	(8,250)
Cash and cash equivalents at the beginning of year	21,733	24,599
Cash and cash equivalents at the end of year	24,599	16,349