



Consolidated Basis Results of the Fiscal 2015 (April 1, 2015 – March 31, 2016)

May 10, 2016

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Scheduled date for holding of ordinary general meeting of shareholders: June 23, 2016
 Scheduled date for dividend payment: June 2, 2016
 Scheduled date for submission of securities report: June 23, 2016
 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 2015 (April 1, 2015 - March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2015	215,872	(9.2)	10,000	55.7	8,806	45.8	1,700	(27.9)
Fiscal 2014	237,677	1.3	6,422	21.0	6,037	34.6	2,360	23.2

(Note) Comprehensive income: Fiscal 2015 (¥6,860) million -%
 Fiscal 2014 ¥12,416 million 64.1%

	Net income per share	Net income per share after full dilution	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal 2015	7.18	-	1.7	3.6	4.6
Fiscal 2014	9.96	-	2.4	2.5	2.7

(For reference) Share of (profit) loss of entities accounted for using equity method: Fiscal 2015 ¥232 million
 Fiscal 2014 ¥12 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 2015	231,583	99,973	42.7	417.60
Fiscal 2014	252,456	107,941	42.1	448.36

(For reference) Shareholders' equity: Fiscal 2015 ¥98,893 million
 Fiscal 2014 ¥106,187 million

(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 2015	19,346	(7,529)	(8,391)	24,599
Fiscal 2014	19,440	(29,141)	13,157	21,733

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 2014	-	1.00	-	3.00	4.00	947	40.2	0.9
Fiscal 2015	-	1.00	-	5.00	6.00	1,421	83.6	1.4
Fiscal 2016 (Forecasts)	-	1.00	-	5.00	6.00		31.6	

3. Consolidated Financial Forecasts for Fiscal 2016 (April 1, 2016 - March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	102,000	(6.0)	1,300	(60.2)	900	(67.4)	500	-	2.11
Full year	215,000	(0.4)	7,500	(25.0)	6,700	(23.9)	4,500	164.6	19.00

* 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 2015 240,775,103 shares Fiscal 2014 240,775,103 shares
 (b) Number of treasury stock at the end of the period
 Fiscal 2015 3,961,199 shares Fiscal 2014 3,939,837 shares
 (c) Average number of shares issued during the period
 Fiscal 2015 236,824,764 shares Fiscal 2014 236,848,386 shares

(For reference) Non-Consolidated Results

1. Non-Consolidated Financial and Operating Results of the Fiscal 2015 (April 1, 2015 - March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2015	127,583	(9.4)	4,898	17.1	5,950	(1.5)	1,690	(41.4)
Fiscal 2014	140,884	0.6	4,181	116.3	6,038	87.9	2,886	8.4

	Net income per share	Net income per share after full dilution
	Yen	Yen
Fiscal 2015	7.14	–
Fiscal 2014	12.18	–

(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 2015	171,278	71,981	42.0	303.91
Fiscal 2014	187,337	76,562	40.9	323.22

(For reference) Shareholders' equity: Fiscal 2015 ¥71,981 million
 Fiscal 2014 ¥76,562 million

2. Non-Consolidated Financial Forecasts for Fiscal 2016 (April 1, 2016 - March 31, 2017)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	58,600	(9.0)	300	(82.2)	2,100	(8.6)	1,700	-	7.18
Full year	120,900	(5.2)	2,400	(51.0)	4,800	(19.3)	3,600	113.0	15.20

* Disclosure regarding audit procedures

This financial announcement is not subject to auditing under the Financial Instruments and Exchange Act. In addition, the audit procedures for financial statements based on the Financial Instruments and Exchange Act have not been completed as of the disclosing date of this announcement.

* 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 "Analysis 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 10th, 2016 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. Analysis of Operating Results and Financial Condition

(1) Analysis of operating results

Operating Results for the Consolidated Fiscal Year under review

Overall, the global economy during the consolidated fiscal year under review showed a moderate recovery, reflecting stagnant economic conditions in China and emerging countries, although the U.S. economy continued to rebound and the European economy also began to recover. The economy in Japan showed signs of gradual recovery supported by a lift in capital investment as company revenue improved. However, individual consumption and industrial production, among other factors, remained weak, and a temporary lull in the economy continued.

Under these conditions, the Topy Industries Group has implemented the medium-term consolidated management plan “Growth & Change 2015” with a basic principle of global “Growth” and “Change” to achieve a highly profitable business structure. As one part of this plan, the Group began manufacturing passenger car wheels at Topy MW Manufacturing Mexico S.A. DE C.V. (Guanajuato, Mexico). In the power generation business, it implemented business reforms and began supplying power to Power Producer and Suppliers (PPS). We have also continued to work on maintaining an appropriate sales price of steel, establishing a production system that responds to demand, improving productivity, and lowering costs through energy-conservation activities. Meanwhile, the Group worked to restructure its construction machinery parts business and mining wheels business in China.

As a result, net sales for this consolidated fiscal year for the Topy Industries Group were ¥215,872 million (year-to-year comparison, 9.2% decrease), operating income was ¥10,000 million (year-to-year comparison, 55.7% increase), ordinary income ended at ¥8,806 million (year-to-year comparison, 45.8% increase). However, due to the allocation of a loss from restructuring associated with the integration of manufacturing sites in China, etc., the net income attributable to owners of parent ended at ¥1,700 million (year-to-year comparison, 27.9% decrease).

Performance by Segment

(Steel Business)

In the steel industry, the production of crude steel decreased from the previous year, reflecting waning demand among construction and manufacturing companies. Harsh business environments also continued in the electric furnace industry because demand for steel materials remained weak and the steel market declined.

In this environment, net sales of the Topy Industries Group came to ¥63,767 million (year-to-year comparison, 11.7% decrease) due to a decrease in the sales price. On the other hand, and although affected by the slowdown in demand for steel material towards the automotive and industrial machinery components business, as a result of securing export volume, etc., maintaining an appropriate sales price, realizing the positive impact of the new steel making facilities and other intensive cost reduction efforts, operating income ended at ¥4,815 million (year-to-year comparison, 42.4% increase).

(Automotive & Industrial Machinery Components Business)

Domestic automobile production declined from a year ago, chiefly because of sluggish sales associated with the light vehicle tax hike and decrease in exports of trucks etc. On the other hand, demand for automobiles remained strong. As for the construction machinery industry, the Chinese and Southeast Asian markets continued to contract and demand for mining machinery remained low.

In this environment, the Group continued to take every step to improve the situation. However, net sales declined to ¥134,099 million (year-to-year comparison, 11.2% decrease), and operating income fell to ¥5,320 million (year-to-year comparison, 23.1% decrease), reflecting the impact of a decrease in the sales quantity of wheels for mini vehicles, in addition to a significant drop in the sales quantity of undercarriage parts for construction machinery against the backdrop of a sluggish demand for construction machinery in China and other emerging countries.

(Power Business)

We have changed the supply destination of electricity to Power Producer and Suppliers, and have continued stable electric supply following our business plan. Net sales were ¥10,626 million (year-to-year comparison, 59.9% increase) and operating income was ¥2,475 million (compared with ¥904 million operating deficit a year ago).

(Others)

The Topy Industries Group also engages in manufacture and sales of synthetic mica used in cosmetics and other products, the manufacture and sales of crawler robots, wholesale electricity utility, 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 ¥7,378 million, and operating income was ¥1,474 million.

Outlook for the next fiscal year

Going forward, the Japanese economy is expected to recover moderately, supported mainly by improvements in employment and income conditions as well as economic measures enacted by the government. That said, the business environment surrounding the Group will remain unpredictable due to uncertain factors, such as the economic slowdown in China and other emerging countries and the impact of the normalization of U.S. financial policies.

Under these business conditions, the Group will seek to further improve its corporate value by solidifying its domestic manufacturing bases, while at the same time actively developing business in overseas markets where growth is expected. The Topy Industries Group will continue to pursue consecutive profit and seek further progression by exerting its competitive advantage of “integrated manufacture from raw material to product” as defined by the corporate message “One-piece Cycle.”

For the consolidated results of the next fiscal year, the Group forecasts net sales of ¥215,000 million, operating income of ¥7,500 million, ordinary income of ¥6,700 million, and ¥4,500 million for net income attributable to owners of parent.

(2) Analysis of financial condition

Asset, liabilities and net assets

Total assets at the end of this consolidated fiscal year declined by ¥20,873 million from the end of the previous consolidated fiscal year to ¥231,583 million. This was mainly due to decreases of ¥9,481 million in tangible fixed assets and ¥8,367 million in investment in securities.

Total debt at the end of this consolidated fiscal year declined by ¥1,295 million to ¥13,169 million from the end of the previous consolidated fiscal year. This was mainly due to decreases of ¥4,918 million in trade payables and ¥7,445 million in interest bearing debt.

Net assets at the end of this consolidated fiscal year declined by ¥7,967 million from the end of the previous fiscal year to ¥99,973 million. This was mainly due to decreases of ¥543 million in the valuation difference on available-for-sale securities and ¥1,869 million in foreign currency translation adjustments. As a result, net assets per share stood at ¥417.60, and the net worth ratio was 42.7%.

Cash flows

Cash and cash equivalents (hereinafter referred to as “funds”) during this consolidated fiscal year stood at ¥24,599 million (an increase of ¥2,865 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 ¥19,346 million (a decrease of ¥94 million year on year). This mainly reflected an increase in cash flows due to the posting of ¥4,681 million for income before income taxes (an increase of ¥204 million year on year), and ¥11,321 million for depreciation cost (an increase of ¥1,006 million year on year).

(Cash flows from investment activities)

Funds used in investment activities during this consolidated fiscal year stood at ¥7,529 million (a decrease in cash outflows of ¥21,611 million year on year). This reflected ¥9,428 million for the expenditure for the purchase of property, plant and equipment (a decrease in cash outflows by ¥19,442 million year on year) and ¥1,600 million for proceeds from sales of investment securities (an increase of cash flows by ¥1,494 million year on year).

(Cash flows from financing activities)

Funds used in financing activities during this consolidated fiscal year stood at ¥8,391 million (a decrease in cash flows of ¥21,549 million year on year). This mainly reflected the net decrease in cash flows of ¥6,883 million for loans payable and bonds (a decrease in cash flows of ¥21,242 million year on year).

(Reference) Cash flow-related indicators

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Equity ratio (%)	38.7	42.9	40.5	42.1	42.7
Equity ratio based on market value (%)	28.6	25.0	18.5	26.2	22.7
The ratio of interest-bearing debt to operating cash flow (years)	3.6	3.2	8.6	4.0	3.6
Interest coverage ratio (times)	15.8	18.4	8.0	17.0	16.9

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) 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 contribute to a long-term and 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 approximately 25%, a consolidated payout ratio which 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 ¥5 per share, an amount that comprehensively reflects factors such as the continuation of stable dividends for shareholders. When the interim dividend of ¥1 per share is included, the dividend for this fiscal year will be ¥6 per share.

In regards to dividends for the next fiscal year, the Company plans to pay ¥6 per year.

2. Management Policies

(1) Basic management policies

The Company's basic corporate philosophy is to grow and develop as part of the Topy Industries Group so that it can fulfill its duties as a public institution and earn the trust and respect of society.

It believes that the Company's mission is to further enhance its corporate value and ultimately the common interests of shareholders. With this mission in mind, it will contribute to society by offering products featuring the quality and cost that satisfy customers and fulfilling its corporate social responsibility through efforts such as the timely and proper disclosure of information, contributing to communities, and proactive initiatives for global environmental issues.

(2) Medium and long-term management strategies, and future challenges

The Group's portfolio covers many different types of business in line with its policy of integrated manufacturing that starts with the handling of raw materials and encompasses everything up to the manufacture of final products. That being said, the Group expects to face a decline in domestic demand in industries in which its respective businesses operate on a medium- to long-term basis, and inevitably competition will further intensify among companies on a global basis.

The Group has worked to implement the medium-term consolidated management plan titled "Growth & Change 2015" since 2012. However, it was not able to achieve revenue targets due to the serious impact of a severe decline in demand for construction machinery and mining machinery that occurred while the plan was being put into practice. Under these situations, the Company moved forward steadily with the creation of foundations for the next stage of growth, such as the establishment of a global supply system in the automotive & industrial machinery component business and the construction/operation of steel plants in the steel business. In addition, it undertook business revitalization measures to address changes in business environments.

Even before then, the Group had also undertaken a number of structural reform programs and implemented medium- to long-term consolidated management plans to achieve its goals. Currently, it is in the process of formulating a new medium-term consolidated management plan that takes into account the turbulent business environments. Working as one, the Group will tackle challenges so that it can remain valued by society, while seeking to further enhance competitiveness and corporate value.

(Steel Business)

The Company aims to become a leading company in the industry by supplying its distinctive deformed section steels that exhibit the highest level of cost competitiveness in Japan.

It will work to slash costs throughout all the operation processes across the Group, from the procurement of materials to the delivery of products, focusing on reducing production costs through the optimization of production capabilities in new steel manufacturing facilities. It will also promote the sales of value-added products such as deformed section steels and seek to improve earnings power.

(Automotive & Industrial Machinery Components Business)

The Company will strive to establish its position as a general manufacture of undercarriage components for construction equipment, while at the same time work to enhance its presence as one of the world's top-grade general wheel manufacturers. In addition, it will work to further reduce costs in an effort to build a profitable corporate structure in the face of difficult business conditions. It will also continue working to establish an optimum production system on a global basis by enhancing overseas manufacturing bases and strengthening alliances with overseas business partners.

(Power Business)

The Company will continue to focus its efforts on maintaining stable operation systems and supplying power in a stable fashion through power generating facilities that give the maximum consideration to environmental friendliness.

(Others)

We will work to expand business through the development of products that satisfy the needs of customers in the course of developing a wide range of businesses, such as synthetic mica, crawler robots, and a variety of services.

3. 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.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	Previous Consolidated Accounting Year (March 31, 2015)	Current Consolidated Accounting Year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	22,048	24,997
Notes and accounts receivable-trade	43,988	39,586
Merchandise and finished goods	13,324	12,806
Work in process	4,418	4,305
Raw materials and supplies	9,910	9,506
Deferred tax assets	2,079	1,546
Other	5,737	4,480
Allowance for doubtful accounts	(34)	(43)
Total current assets	101,471	97,186
Non-current assets		
Property, plant and equipment		
Buildings and structures	85,547	85,096
Accumulated depreciation	(52,932)	(54,746)
Buildings and structures, net	32,615	30,349
Machinery, equipment and vehicles	191,503	189,985
Accumulated depreciation	(139,852)	(141,842)
Machinery, equipment and vehicles, net	51,651	48,142
Land	18,479	18,260
Leased assets	4,314	4,288
Accumulated depreciation	(1,199)	(1,627)
Leased assets, net	3,114	2,661
Construction in progress	4,450	1,558
Other	33,385	32,897
Accumulated depreciation	(31,290)	(30,946)
Other, net	2,095	1,951
Total property, plant and equipment	112,406	102,924
Intangible assets		
Other	1,417	1,372
Total intangible assets	1,417	1,372
Investments and other assets		
Investment securities	33,359	24,992
Long-term loans receivable	607	620
Deferred tax assets	1,302	2,689
Other	1,937	1,854
Allowance for doubtful accounts	(46)	(55)
Total investments and other assets	37,161	30,101
Total non-current assets	150,985	134,397
Total assets	252,456	231,583

(Million yen)

	Previous Consolidated Accounting Year (March 31, 2015)	Current Consolidated Accounting Year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	26,707	19,445
Electronically recorded obligations-operating	8,263	10,606
Short-term loans payable	21,954	22,603
Current portion of bonds	5,300	300
Lease obligations	403	438
Income taxes payable	1,750	1,657
Other	10,861	11,579
Total current liabilities	75,241	66,632
Non-current liabilities		
Bonds payable	23,600	23,800
Long-term loans payable	26,662	23,367
Lease obligations	2,729	2,336
Deferred tax liabilities	1,544	78
Provision for corporate officers' retirement benefits	140	159
Reserve for repairs	518	171
Net defined benefit liability	9,574	11,011
Asset retirement obligations	257	235
Liabilities from application of equity method	838	809
Other	3,409	3,007
Total non-current liabilities	69,274	64,977
Total liabilities	144,515	131,609
Net assets		
Shareholders' equity		
Capital stock	20,983	20,983
Capital surplus	18,824	18,824
Retained earnings	53,399	54,152
Treasury shares	(925)	(931)
Total shareholders' equity	92,281	93,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,399	4,995
Deferred gains or losses on hedges	(8)	(13)
Foreign currency translation adjustment	3,796	1,927
Remeasurements of defined benefit plans	(281)	(1,044)
Total accumulated other comprehensive income	13,906	5,865
Non-controlling interests	1,753	1,080
Total net assets	107,941	99,973
Total liabilities and net assets	252,456	231,583

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

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2014 - March 31, 2015)	Current Consolidated Accounting Year (April 1, 2015 - March 31, 2016)
Net sales	237,677	215,872
Cost of sales	202,762	178,201
Gross profit	34,915	37,670
Selling, general and administrative expenses	28,492	27,669
Operating income	6,422	10,000
Non-operating income		
Interest income	69	89
Dividends income	575	706
Share of profit of entities accounted for using equity method	12	232
Insurance income	570	128
Other	415	419
Total non-operating income	1,643	1,577
Non-operating expenses		
Interest expenses	1,124	1,137
Foreign exchange losses	332	951
Other	570	683
Total non-operating expenses	2,028	2,772
Ordinary income	6,037	8,806
Extraordinary income		
Gain on sales of non-current assets	16	19
Gain on sales of investment securities	80	1,089
Subsidy income	–	448
Total extraordinary income	96	1,558
Extraordinary losses		
Loss on sales of non-current assets	40	69
Loss on retirement of non-current assets	243	308
Loss on reduction of non-current assets	–	440
Loss on valuation of investment securities	37	–
Restructuring loss	–	4,864
Impairment loss	1,334	–
Other	1	0
Total extraordinary losses	1,657	5,683
Income before income taxes and non-controlling interests	4,476	4,681
Income taxes - current	2,862	2,798
Income taxes - deferred	(500)	536
Total income taxes	2,361	3,335
Net income	2,115	1,345
Net income (loss) attributable to non-controlling interests	(244)	(354)
Net income (loss) attributable to owners of parent	2,360	1,700

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2014 - March 31, 2015)	Current Consolidated Accounting Year (April 1, 2015 - March 31, 2016)
Net income	2,115	1,345
Other comprehensive income		
Valuation difference on available-for-sale securities	4,894	(5,372)
Deferred gains or losses on hedges	(6)	(5)
Foreign currency translation adjustment	3,441	(2,036)
Remeasurements of defined benefit plans, net of tax	1,907	(760)
Share of other comprehensive income of associates accounted for using equity method	65	(30)
Total other comprehensive income	10,301	(8,205)
Comprehensive income	12,416	(6,860)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,486	(6,340)
Comprehensive income attributable to non-controlling interests	(70)	(519)

(3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Accounting Year (April 1, 2014 - March 31, 2015)

(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	51,695	(919)	90,584
Cumulative effects of changes in accounting policies			53		53
Restated balance	20,983	18,824	51,749	(919)	90,637
Changes of items during period					
Dividends of surplus			(710)		(710)
Net income attributable to owners of parent			2,360		2,360
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,649	(5)	1,643
Balance at the end of year	20,983	18,824	53,399	(925)	92,281

	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	5,447	(4)	534	(2,196)	3,779	1,855	96,219
Cumulative effects of changes in accounting policies							53
Restated balance	5,447	(4)	534	(2,196)	3,779	1,855	96,272
Changes of items during period							
Dividends of surplus							(710)
Net income attributable to owners of parent							2,360
Purchase of treasury shares							(5)
Disposal of treasury shares							–
Net changes of items other than shareholders' equity	4,951	(3)	3,262	1,915	10,126	(101)	10,024
Total changes of items during period	4,951	(3)	3,262	1,915	10,126	(101)	11,668
Balance at the end of year	10,399	(8)	3,796	(281)	13,906	1,753	107,941

Current 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
Cumulative effects of changes in accounting policies					
Restated balance	20,983	18,824	53,399	(925)	92,281
Changes of items during period					
Dividends of surplus			(947)		(947)
Net income attributable to owners of parent			1,700		1,700
Purchase of treasury shares				(6)	(6)
Disposal of treasury shares		0		0	0
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
Cumulative effects of changes in accounting policies							-
Restated balance	10,399	(8)	3,796	(281)	13,906	1,753	107,941
Changes of items during period							
Dividends of surplus							(947)
Net income attributable to owners of parent							1,700
Purchase of treasury shares							(6)
Disposal of treasury shares							0
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

(4) Consolidated Cash Flow Statements

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2014 - March 31, 2015)	Current Consolidated Accounting Year (April 1, 2015 - March 31, 2016)
Cash flows from operating activities		
Income (loss) before income taxes and non-controlling interests	4,476	4,681
Depreciation	10,315	11,321
Loss on business restructuring	-	4,480
Impairment loss	1,334	-
Increase (decrease) in allowance for doubtful accounts	(36)	17
Increase (decrease) in allowance for executive directors' retirement benefits	41	19
Increase (decrease) in allowance for periodic repairs	39	(347)
Increase (decrease) in net defined benefit liability	1,170	363
Interest and dividend income	(644)	(796)
Interest expenses	1,124	1,137
Insurance income	(570)	(128)
Share of (profit) loss of entities accounted for using equity method	(12)	(232)
Loss (gain) on sales of short-term and long-term investment securities	(80)	(1,089)
Loss (gain) on valuation of short-term and long-term investment securities	37	-
Loss (gain) on sales and retirement of property, plant and equipment	268	358
Subsidy income	-	(448)
Loss on reduction of non-current assets	-	440
Decrease (increase) in notes and accounts receivable - trade	2,949	4,198
Decrease (increase) in inventories	(277)	857
Increase (decrease) in notes and accounts payable - trade	22	(4,736)
Increase/decrease in other assets/liabilities	1,576	2,409
Subtotal	21,735	22,506
Interest and dividend income received	665	830
Interest expenses paid	(1,145)	(1,147)
Proceeds from insurance income	570	128
Income taxes paid	(2,398)	(3,060)
Income taxes refund	11	88
Net cash provided by (used in) operating activities	19,440	19,346

(Million yen)

	Previous Consolidated Accounting Year (April 1, 2014 - March 31, 2015)	Current Consolidated Accounting Year (April 1, 2015 - March 31, 2016)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(145)	(91)
Purchase of property, plant and equipment	(28,870)	(9,428)
Proceeds from sales of property, plant and equipment	103	99
Purchase of investment securities	(338)	(26)
Proceeds from sales of investment securities	106	1,600
Proceeds from sales of shares of subsidiaries and associates	228	–
Payments of loans receivable	(30)	(28)
Collection of loans receivable	20	15
Purchase of intangible assets	(138)	(133)
Proceeds from subsidy income	–	448
Other, net	(76)	13
Net cash provided by (used in) investing activities	(29,141)	(7,529)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(636)	(406)
Proceeds from long-term loans payable	15,486	3,638
Repayments of long-term loans payable	(5,418)	(5,299)
Proceeds from issuance of bonds	9,928	485
Redemption of bonds	(5,000)	(5,300)
Increase (decrease) in deposits received through CMS	(60)	(12)
Repayments of lease obligations	(389)	(387)
Purchase of treasury shares	(5)	(6)
Proceeds from disposal of treasury shares	–	0
Proceeds from share issuance to non-controlling shareholders	107	–
Cash dividends paid	(713)	(948)
Dividends paid to non-controlling interests	(139)	(153)
Net cash provided by (used in) financing activities	13,157	(8,391)
Effect of exchange rate change on cash and cash equivalents	791	(558)
Net increase (decrease) in cash and cash equivalents	4,247	2,865
Cash and cash equivalents at the beginning of year	17,485	21,733
Cash and cash equivalents at the end of year	21,733	24,599