

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



May 6, 2016

Company name: TOA Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6809
 URL: <http://www.toa.co.jp/>
 Representative: Kenji Itani, Chairman and CEO
 Scheduled date of Ordinary General Meeting of Shareholders: June 22, 2016
 Scheduled date of filing annual securities report: June 22, 2016
 Scheduled date of commencing dividend payments: June 23, 2016
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: Yes (for institutional investors)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2016	45,840	1.5	3,638	(14.2)	3,623	(23.3)	2,093	(29.0)
March 31, 2015	45,152	6.5	4,239	(0.4)	4,725	6.3	2,947	9.5

(Note) Comprehensive income: Fiscal year ended March 31, 2016: ¥1,450 million [(76.8%)]

Fiscal year ended March 31, 2015: ¥6,257 million [29.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended March 31, 2016	Yen 61.83	Yen -	% 5.3	% 6.8	% 7.9
March 31, 2015	87.03	-	7.9	9.3	9.4

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2016: ¥- million

Fiscal year ended March 31, 2015: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2016	Million yen 52,865	Million yen 41,572	% 75.0	Yen 1,171.42
As of March 31, 2015	54,371	41,371	72.7	1,166.86

(Reference) Equity: As of March 31, 2016: ¥39,667 million

As of March 31, 2015: ¥39,514 million

(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
Fiscal year ended March 31, 2016	Million yen 2,955	Million yen (987)	Million yen (1,210)	Million yen 17,913
March 31, 2015	3,285	(595)	(921)	17,594

2. Dividends

	Annual dividends					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2015	-	10.00	-	21.00	31.00	1,049	35.6	2.8
Fiscal year ended March 31, 2016	-	10.00	-	12.00	22.00	744	35.6	1.9
Fiscal year ending March 31, 2017 (Forecast)	-	10.00	-	10.00	20.00		26.6	

Breakdown of the dividends for the fiscal year ended March 31, 2015: Stable dividend ¥20, Performance-based dividend ¥11

Breakdown of the dividends for the fiscal year ended March 31, 2016: Stable dividend ¥20, Performance-based dividend ¥2

Dividends for the fiscal year ending March 31, 2017 (Forecast) will be determined by taking into account the performances on stable dividend of ¥20, aiming at a consolidated dividend payout ratio of 35%, as specified in “(3) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 4.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% indicates changes from the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (Cumulative)	21,200	0.9	950	(21.0)	1,000	(21.2)	550	(20.8)	16.24
Full year	48,000	4.7	3,900	7.2	4,000	10.4	2,550	21.8	75.30

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - March 31, 2016: 34,536,635 shares
 - March 31, 2015: 34,536,635 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2016: 673,877 shares
 - March 31, 2015: 673,077 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2016: 33,863,149 shares
 - Fiscal year ended March 31, 2015: 33,864,935 shares

(Reference) Overview of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	32,167	(3.9)	1,507	(29.3)	1,841	(35.6)	1,253	(39.4)
March 31, 2015	33,470	1.4	2,131	(22.6)	2,859	(8.4)	2,068	(2.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2016	37.00	-
March 31, 2015	61.07	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2016	36,003	30,045	83.5	887.27
March 31, 2015	36,678	29,870	81.4	882.09

(Reference) Equity: As of March 31, 2016: ¥30,045 million

As of March 31, 2015: ¥29,870 million

*** Presentation regarding the implementation status of the audit procedures**

These financial results are outside the scope of audit procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these financial results, audit procedures for the financial statements under the Financial Instruments and Exchange Act have not been completed.

*** Explanation of the proper use of financial results forecast and other notes**

Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the above forecasts due to subsequent changes in the circumstances.

The Company plans to hold a financial results briefing session for institutional investors on Tuesday, May 17, 2016. The materials that will be distributed at the briefing are scheduled to be published on our website promptly after the session.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

(i) Operating Results for the Fiscal Year Under Review

During the fiscal year ended March 31, 2016, the U.S. and European economies continued on a track of moderate recovery owing to the recovery of domestic demand. Although there were signs of corporate earnings improving in Japan, the economic outlook remains uncertain, due to factors such as the slowdown in China's economic growth, and the downturn in the economies of resource-rich nations due to the fall in crude oil prices.

In such an environment, we focused on proposing solution-based products and systems that contribute to the security and safety of society, as well as on creating a value-added business model with additional elements such as consulting services, in order to realize our corporate value "Smiles for the Public." Furthermore, in each of our five global regions, we released products that cater to local consumer needs and accordingly expanded our sales network.

Net sales during the fiscal year ended March 31, 2016 amounted to ¥45,840 million (up ¥688 million, or 1.5%, year on year). With regard to profit, factors such as a rising cost ratio and an increase in selling, general and administrative expenses led to operating income of ¥3,638 million (down ¥601 million, or 14.2%, year on year), ordinary income of ¥3,623 million (down ¥1,101 million, or 23.3%, year on year), and profit attributable to owners of parent of ¥2,093 million (down ¥853 million, or 29.0%, year on year).

Performance by segments is as follows.

(Japan)

Net sales amounted to ¥28,399 million (down ¥593 million, or 2.0%, year on year), and segment income (operating income) to ¥5,258 million (down ¥753 million, or 12.5%, year on year).

Net sales decreased, due to lower sales of security products, and effects of the delay in sales of disaster prevention and mitigation-related products for the municipalities market until the next fiscal year or later, despite higher sales in the transportation market and the office buildings market. Lower net sales, coupled with a rising cost ratio due to the weakening of the yen and other factors, led to a decrease in segment income.

(The Americas)

Net sales amounted to ¥3,941 million (up ¥471 million, or 13.6%, year on year), and segment income (operating income) to ¥94 million (up ¥47 million, or 103.0%, year on year).

Net sales of desktop amplifiers for the BGM market increased. In addition, the rise in net sales of intercoms for government sectors in the United States and Central America, and robust sales of in-rail car communication systems for subway systems in Washington D.C. led to an increase in net sales and segment income.

(Europe, Middle East & Africa)

Net sales amounted to ¥5,109 million (down ¥114 million, or 2.2%, year on year), and segment income (operating income) to ¥489 million (down ¥175 million, or 26.4%, year on year).

Although sales of broadcasting systems to sports-related facilities in France and government sectors in the Middle East increased, due to a weaker Euro causing lower net sales after currency conversion, a rising cost ratio and other factors, net sales and segment income decreased.

In order to expand sales in the Benelux countries, we have established a sales base in the Netherlands.

(Asia & Pacific)

Net sales amounted to ¥6,316 million (up ¥590 million, or 10.3%, year on year), and segment income (operating income) to ¥784 million (up ¥33 million, or 4.5%, year on year).

Net sales of local products increased, mainly in Indonesia. In Vietnam, net sales rose by virtue of expanded sales channels. Coupled with robust sales in Thailand and Malaysia, net sales and segment income increased.

(China & East Asia)

Net sales amounted to ¥2,073 million (up ¥334 million, or 19.3%, year on year), and segment income (operating income) to ¥422 million (up ¥124 million, or 41.7%, year on year).

In China, utilizing the sales network of local products, sales of broadcasting systems to commercial facilities and schools increased. In addition, higher sales in Hong Kong and effects of the weakening of the yen led to increased net sales and segment income.

(ii) Future Outlook

Going forward, the global economy is expected to slow, due to the slowdown in the Chinese economy, the deceleration in the economic growth of resource-rich nations caused by the drop in crude oil prices, and other factors.

We will continue focusing on the reforms carried out in the Product Development Department this consolidated fiscal year. Product development was previously carried out by three different divisions. By integrating them into a single department, we have raised flexibility, and aim to further increase the speed of new product development.

In addition, we have established the Supply Chain Management Strategies Department, and strive to optimize the operations of the Group as a whole.

We will reform the business model of TOA based on the concept of “Product-Oriented to Service-Oriented.” In terms of global expansion, we will further accelerate the “local production, local consumption” business model in each of the five global regions, and strive to become an even stronger company with long-term sustainability.

At present, our performance forecasts for the fiscal year ending March 31, 2017 are: Net sales of ¥48,000 million, operating income of ¥3,900 million, ordinary income of ¥4,000 million, and profit attributable to owners of parent of ¥2,550 million.

(2) Analysis of Financial Position

(i) Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal year ended March 31, 2016 decreased ¥1,505 million from the end of the previous fiscal year to ¥52,865 million. The decrease in assets was mainly due to a decrease in notes and accounts receivable – trade, as well as a decrease in inventories. Total liabilities decreased ¥1,706 million from the end of the previous fiscal year to ¥11,292 million. The decrease in liabilities was primarily due to a decrease in notes and accounts payable – trade, as well as a decrease in income taxes payable. Total net assets increased ¥200 million from the end of the previous fiscal year to ¥41,572 million. The increase in net assets was mainly attributable to an increase in retained earnings owing to the recording of profit attributable to owners of parent.

(ii) Cash Flows

Cash and cash equivalents at the end of the fiscal year ended March 31, 2016 (hereinafter “cash”) increased ¥318 million from the end of the previous fiscal year to ¥17,913 million. The status of cash

flows and their contributing factors during the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,955 million. This was mainly attributable to ¥3,623 million of profit before income taxes, depreciation of ¥932 million, decreases of ¥1,259 million in notes and accounts receivable – trade, of ¥105 million in inventories, and of ¥793 million in notes and accounts payable – trade, as well as ¥1,400 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥987 million. This was mainly attributable to a decrease of ¥859 million in cash due to the purchase of manufacturing equipment and equipment for the headquarters.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,210 million. This was mainly attributable to ¥1,047 million of cash dividends paid.

(3) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year

The Company views an increase of returns of profits to shareholders as an important managerial task.

Regarding the distribution of profits, in addition to our basic policy of providing stable dividends, we endeavor to provide returns to shareholders by taking our business performance into consideration. We also aim to maintain sufficient internal reserves, so as to secure a stable management foundation in the long term, and to raise the competitiveness of the Company through actively carrying out R&D investments. By endeavoring to strengthen our financial structure, we aim to increase our corporate value.

In addition, to further specify our policy of providing dividends based on business performance, we adopt a basic policy of maintaining an annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), and aim for a consolidated dividend payout ratio of 35% based on our business performance. The amount of dividends paid will also be determined by considering the overall balance with our internal reserves, so as to enable sustainable growth of the Company.

For the fiscal year ended March 31, 2016, the Company plans to pay an annual dividend of ¥22 per share, which includes the interim dividend of ¥10 per share already paid. For the fiscal year ending March 31, 2017, in addition to the stable annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), we will determine the dividend amount by aiming for a consolidated dividend payout ratio of 35% based on our business performance.

2. Information on the TOA Group

The TOA Group comprises a total of 25 firms including the Company and its 24 subsidiaries. Our main operations are the manufacturing, selling and other related business operations of sound equipment and security equipment. We employ geographical segmentation, with five segments, namely the Japan segment, The Americas segment, the Europe, Middle East & Africa segment, the Asia & Pacific segment, and the China & East Asia segment.

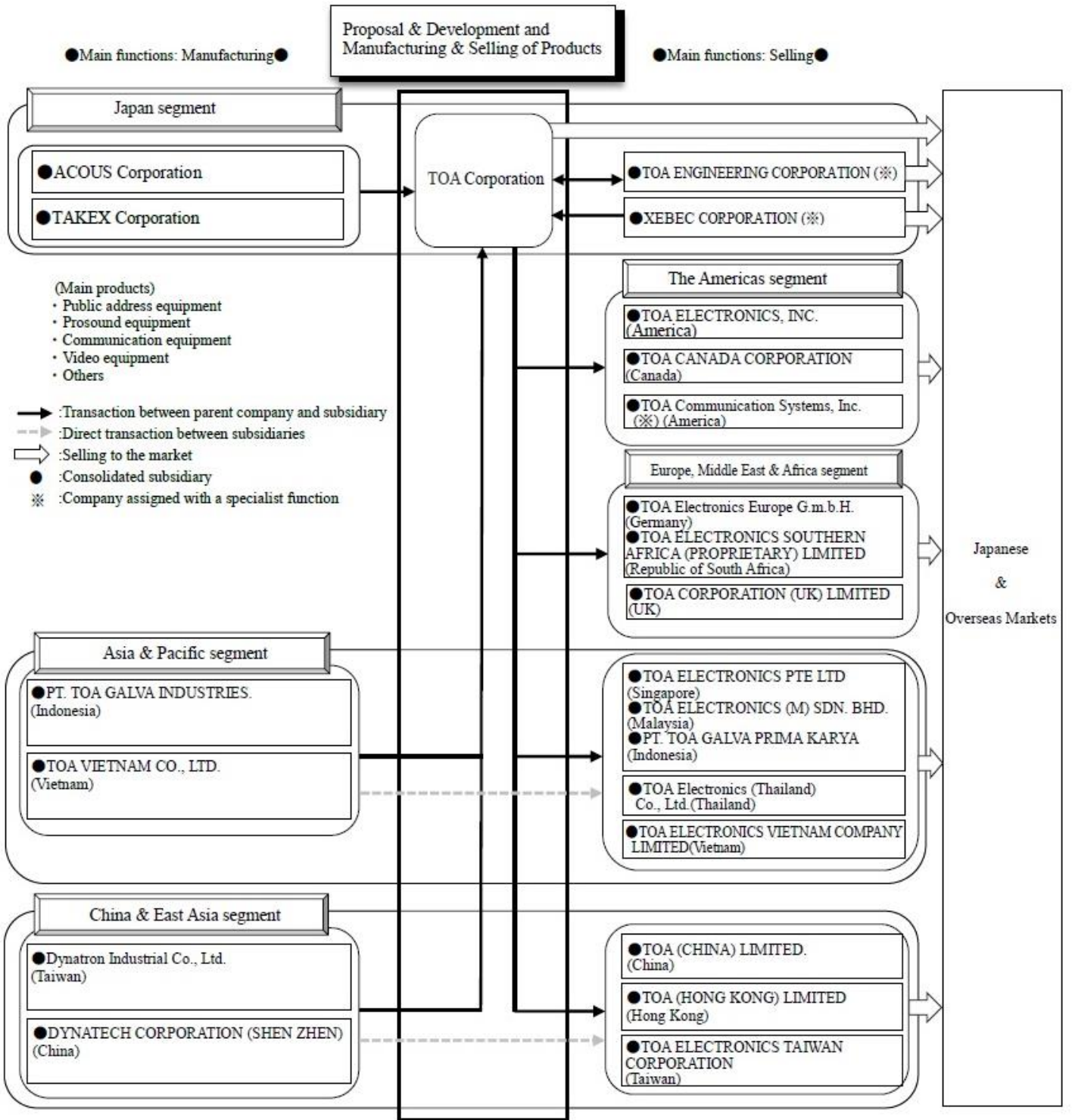
Although each company in the TOA Group is assigned a function of development, manufacturing, or selling, the operations of development and manufacturing companies are integrated even though they remain as separate businesses.

The positioning of each company is as follows: The Company and its subsidiaries design and develop products, which are then accepted from manufacturing subsidiaries in Japan and overseas, and sold by the Company and its subsidiaries.

In the Japanese market, products are sold via retail agents. In the North America, the Europe, Middle East & Africa, and the Asia & Pacific regions, products are sold via local retail subsidiaries. Furthermore, in a part of the overseas market, products are sold via Japanese trading companies or their local retail agents.

In addition, TOA ENGINEERING CORPORATION is in charge of engineering, XEBEC CORPORATION is in charge of specialist functions such as software design and development as well as the management and operation of acoustic halls and studios, while TOA Communication Systems, Inc. is in charge of the railway cars-related business.

The overview of the business structure described above is summarized in the following chart:



3. Management Policy

(1) TOA's Basic Management Policy

The TOA Group's mission is to pursue a high degree of specialization to meet professional standard. By thoroughly subdividing the market and developing creative products suited to each market segment, we aim to be an international corporation contributing to human society with "Sound and Communication." Accordingly, we aim for:

- Total confidence of our customers in the use of all products
- Total confidence of our associates in all business transactions
- Total confidence of our employees in all their efforts

Since our foundation, we have carried our business operations based on this "Three Confidence" basic management policy. In addition, as a public institution in society, the TOA Group carries out its daily operations with the aim of meeting the expectations and rewarding the trust of all our stakeholders, including our customers, shareholders, business partners, and employees.

(2) Targeted Managerial Index

The Company utilizes Return on Equity (ROE) as a main managerial index. We aim to raise ROE through measures such as profit structure reforms, cost-cutting measures, and raising the efficiency of asset utilization, so as to further increase the shareholder value.

(3) Management Strategy of the Company and Challenges Faced

Since our foundation in 1934, the Company has achieved steady growth as a specialist manufacturer of sound and video systems. Recently, we have newly defined our corporate value as "Smiles for the Public." By providing the values of "reassurance, reliability and emotion" to the public, we strive to realize the goal of providing ultimate satisfaction to people, which leads to their smiles. We create a society where people can feel happier by protecting people's lives, ensuring their safety and helping revitalize regional communication through capitalizing on the strengths of sound and video. In particular, by positioning our core competitiveness as the "Audio notification capabilities" that comes into play when a disaster occurs, we will carry out operations that contribute to the safety and security of society.

In terms of global expansion, up until now, the Company has divided the world into five global regions, and promoted the "local production, local consumption" business model in each of those regions. In the medium-term management plan (FY2015-2017), we will further accelerate those efforts, in order to realize the goal of "5 TOAs in the World," where the business in each of the five regions can operate independently. In terms of the business model of TOA, we will carry out reforms based on the concept of "Product-Oriented to Service-Oriented." By enhancing our solution-based business structure, which not only provides high-quality products but also offers additional elements such as supplementary software and services, we strive to continuously create and provide new value acknowledged by customers, thereby constructing a business model that continuously generates profits. Through such growth and reforms, the Company strives to continue being a "Strong and sustainable company that provides irreplaceable value for people's social life in the world."

(4) Other Important Information on the Management of the Company

There is no relevant information.

4. Basic Views on the Selection of Accounting Standards

In consideration of the ease of comparison of the consolidated financial statements, in terms of comparison with previous years and comparison with other companies, the TOA Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of IFRS, in view of the various circumstances within and outside of Japan, the Group will adopt the IFRS appropriately, as necessary.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	16,034	15,283
Notes and accounts receivable - trade	11,170	9,827
Securities	2,300	3,500
Merchandise and finished goods	5,869	5,473
Work in process	750	1,003
Raw materials and supplies	2,536	2,303
Deferred tax assets	735	541
Other	526	534
Allowance for doubtful accounts	(138)	(90)
Total current assets	39,785	38,376
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,521	7,502
Accumulated depreciation	(4,400)	(4,519)
Buildings and structures, net	3,121	2,982
Machinery, equipment and vehicles	1,397	1,465
Accumulated depreciation	(1,036)	(1,113)
Machinery, equipment and vehicles, net	360	352
Tools, furniture and fixtures	4,307	4,080
Accumulated depreciation	(3,745)	(3,668)
Tools, furniture and fixtures, net	561	412
Land	2,457	2,453
Leased assets	372	418
Accumulated depreciation	(200)	(246)
Leased assets, net	171	172
Construction in progress	9	173
Total property, plant and equipment	6,682	6,547
Intangible assets		
Goodwill	366	391
Software	847	882
Software in progress	86	81
Other	126	156
Total intangible assets	1,427	1,512
Investments and other assets		
Investment securities	*1 5,714	*1 5,600
Long-term loans receivable	3	2
Deferred tax assets	141	142
Net defined benefit asset	27	20
Other	600	701
Allowance for doubtful accounts	(10)	(37)
Total investments and other assets	6,476	6,429
Total non-current assets	14,585	14,489
Total assets	54,371	52,865

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,478	3,616
Short-term loans payable	1,011	1,083
Lease obligations	61	72
Income taxes payable	611	211
Provision for bonuses	174	187
Provision for product warranties	170	22
Other	2,344	1,890
Total current liabilities	8,851	7,083
Non-current liabilities		
Lease obligations	130	162
Deferred tax liabilities	771	642
Net defined benefit liability	2,633	2,791
Other	613	612
Total non-current liabilities	4,148	4,208
Total liabilities	12,999	11,292
Net assets		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus	6,866	6,866
Retained earnings	23,881	24,925
Treasury shares	(392)	(393)
Total shareholders' equity	35,635	36,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,301	3,273
Foreign currency translation adjustment	559	(155)
Remeasurements of defined benefit plans	17	(129)
Total accumulated other comprehensive income	3,879	2,989
Non-controlling interests	1,857	1,905
Total net assets	41,371	41,572
Total liabilities and net assets	54,371	52,865

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

(Million yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net sales	45,152	45,840
Cost of sales	*1, *3 25,349	*1, *3 26,416
Gross profit	19,802	19,423
Selling, general and administrative expenses	*2, *3 15,562	*2, *3 15,785
Operating income	4,239	3,638
Non-operating income		
Interest income	35	45
Dividend income	63	66
Foreign exchange gains	255	-
Insurance and dividend income	27	26
Other	159	108
Total non-operating income	540	247
Non-operating expenses		
Interest expenses	21	25
Foreign exchange losses	-	186
Other	33	49
Total non-operating expenses	55	262
Ordinary income	4,725	3,623
Extraordinary income		
Gain on sales of non-current assets	*4 42	-
Total extraordinary income	42	-
Profit before income taxes	4,768	3,623
Income taxes - current	1,432	972
Income taxes - deferred	34	195
Total income taxes	1,466	1,168
Profit	3,301	2,455
Profit attributable to non-controlling interests	354	361
Profit attributable to owners of parent	2,947	2,093

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Profit	3,301	2,455
Other comprehensive income		
Valuation difference on available-for-sale securities	1,791	(27)
Foreign currency translation adjustment	849	(839)
Remeasurements of defined benefit plans, net of tax	314	(138)
Total other comprehensive income	2,955	(1,004)
Comprehensive income	6,257	1,450
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,666	1,204
Comprehensive income attributable to non-controlling interests	590	246

(3) Consolidated Statements of Changes in Net Assets

Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	22,299	(389)	34,056
Cumulative effects of changes in accounting policies			(417)		(417)
Restated balance	5,279	6,866	21,882	(389)	33,638
Changes of items during period					
Dividends of surplus			(948)		(948)
Profit attributable to owners of parent			2,947		2,947
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,998	(2)	1,996
Balance at end of current period	5,279	6,866	23,881	(392)	35,635

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,509	(100)	(249)	1,159	1,455	36,671
Cumulative effects of changes in accounting policies						(417)
Restated balance	1,509	(100)	(249)	1,159	1,455	36,254
Changes of items during period						
Dividends of surplus						(948)
Profit attributable to owners of parent						2,947
Purchase of treasury shares						(2)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	1,791	660	267	2,719	402	3,121
Total changes of items during period	1,791	660	267	2,719	402	5,117
Balance at end of current period	3,301	559	17	3,879	1,857	41,371

Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	23,881	(392)	35,635
Cumulative effects of changes in accounting policies					-
Restated balance	5,279	6,866	23,881	(392)	35,635
Changes of items during period					
Dividends of surplus			(1,049)		(1,049)
Profit attributable to owners of parent			2,093		2,093
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,043	(0)	1,042
Balance at end of current period	5,279	6,866	24,925	(393)	36,678

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,301	559	17	3,879	1,857	41,371
Cumulative effects of changes in accounting policies						-
Restated balance	3,301	559	17	3,879	1,857	41,371
Changes of items during period						
Dividends of surplus						(1,049)
Profit attributable to owners of parent						2,093
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Net changes of items other than shareholders' equity	(27)	(714)	(147)	(889)	47	(842)
Total changes of items during period	(27)	(714)	(147)	(889)	47	200
Balance at end of current period	3,273	(155)	(129)	2,989	1,905	41,572

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	4,768	3,623
Depreciation	810	932
Increase (decrease) in net defined benefit liability	12	(13)
Interest and dividend income	(98)	(112)
Foreign exchange losses (gains)	(232)	37
Interest expenses	21	25
Increase (decrease) in provision for product warranties	11	(144)
Loss (gain) on sales of non-current assets	(42)	-
Decrease (increase) in notes and accounts receivable - trade	(1,112)	1,259
Decrease (increase) in inventories	(225)	105
Increase (decrease) in notes and accounts payable - trade	544	(793)
Other, net	295	(631)
Subtotal	4,753	4,288
Interest and dividend income received	97	87
Interest expenses paid	(17)	(19)
Income taxes (paid) refund	(1,548)	(1,400)
Net cash provided by (used in) operating activities	3,285	2,955
Cash flows from investing activities		
Payments into time deposits	(435)	(429)
Proceeds from withdrawal of time deposits	466	407
Purchase of property, plant and equipment	(461)	(524)
Proceeds from sales of property, plant and equipment	171	2
Purchase of intangible assets	(325)	(334)
Collection of loans receivable	1	0
Payments for transfer of business	-	(94)
Other, net	(12)	(15)
Net cash provided by (used in) investing activities	(595)	(987)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	273	84
Purchase of treasury shares	(2)	(0)
Proceeds from sales of treasury shares	-	0
Repayments of finance lease obligations	(58)	(55)
Cash dividends paid	(946)	(1,047)
Dividends paid to non-controlling interests	(187)	(191)
Net cash provided by (used in) financing activities	(921)	(1,210)
Effect of exchange rate change on cash and cash equivalents	528	(438)
Net increase (decrease) in cash and cash equivalents	2,297	318
Cash and cash equivalents at beginning of period	15,296	17,594
Cash and cash equivalents at end of period	*1 17,594	*1 17,913

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	7,324	6,590
Notes receivable - trade	1,747	1,802
Accounts receivable - trade	7,021	6,070
Securities	2,300	3,500
Finished goods	2,940	2,887
Work in process	65	195
Raw materials and supplies	334	353
Prepaid expenses	79	109
Deferred tax assets	376	206
Other	308	265
Allowance for doubtful accounts	(95)	(60)
Total current assets	22,404	21,922
Non-current assets		
Property, plant and equipment		
Buildings, net	2,005	1,922
Structures, net	13	11
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	162	120
Land	2,217	2,217
Leased assets, net	10	14
Construction in progress	3	103
Total property, plant and equipment	4,415	4,390
Intangible assets		
Software	780	830
Software in progress	83	36
Other	79	74
Total intangible assets	942	941
Investments and other assets		
Investment securities	5,710	5,596
Shares of subsidiaries and associates	2,220	2,220
Investments in capital of subsidiaries and associates	670	670
Other	326	299
Allowance for doubtful accounts	(10)	(37)
Total investments and other assets	8,917	8,749
Total non-current assets	14,274	14,081
Total assets	36,678	36,003

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes payable - trade	14	12
Accounts payable - trade	1,327	1,463
Short-term loans payable	25	25
Lease obligations	8	7
Accounts payable - other	579	535
Income taxes payable	370	40
Accrued expenses	695	432
Provision for product warranties	115	-
Other	259	137
Total current liabilities	3,396	2,654
Non-current liabilities		
Lease obligations	6	8
Provision for retirement benefits	2,264	2,200
Deferred tax liabilities	639	581
Other	501	513
Total non-current liabilities	3,412	3,304
Total liabilities	6,808	5,958
Net assets		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	-	0
Total capital surpluses	6,808	6,808
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	11,263	11,466
Total retained earnings	14,872	15,076
Treasury shares	(392)	(393)
Total shareholders' equity	26,569	26,771
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,301	3,273
Total valuation and translation adjustments	3,301	3,273
Total net assets	29,870	30,045
Total liabilities and net assets	36,678	36,003

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Net sales	33,470	32,167
Cost of sales	20,590	20,255
Gross profit	12,880	11,912
Selling, general and administrative expenses	10,748	10,404
Operating income	2,131	1,507
Non-operating income		
Interest and dividend income	324	335
Foreign exchange gains	311	-
Miscellaneous income	108	77
Total non-operating income	743	412
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	-	69
Miscellaneous loss	10	4
Total non-operating expenses	15	79
Ordinary income	2,859	1,841
Extraordinary income		
Gain on sales of non-current assets	77	-
Total extraordinary income	77	-
Profit before income taxes	2,937	1,841
Income taxes - current	818	389
Income taxes - deferred	50	198
Total income taxes	869	588
Profit	2,068	1,253

(3) Non-consolidated Statements of Changes in Net Assets
 Fiscal Year Ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	-	6,808	679	2,930	10,560	14,170
Cumulative effects of changes in accounting policies							(417)	(417)
Restated balance	5,279	6,808	-	6,808	679	2,930	10,143	13,753
Changes of items during period								
Dividends of surplus							(948)	(948)
Profit							2,068	2,068
Purchase of treasury shares								
Disposal of treasury shares			-	-				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	-	-	-	-	1,119	1,119
Balance at end of current period	5,279	6,808	-	6,808	679	2,930	11,263	14,872

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(389)	25,869	1,509	1,509	27,379
Cumulative effects of changes in accounting policies		(417)			(417)
Restated balance	(389)	25,451	1,509	1,509	26,961
Changes of items during period					
Dividends of surplus		(948)			(948)
Profit		2,068			2,068
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	-	-			-
Net changes of items other than shareholders' equity			1,791	1,791	1,791
Total changes of items during period	(2)	1,117	1,791	1,791	2,908
Balance at end of current period	(392)	26,569	3,301	3,301	29,870

Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	-	6,808	679	2,930	11,263	14,872
Cumulative effects of changes in accounting policies								-
Restated balance	5,279	6,808	-	6,808	679	2,930	11,263	14,872
Changes of items during period								
Dividends of surplus							(1,049)	(1,049)
Profit							1,253	1,253
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	203	203
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	11,466	15,076

(Million yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(392)	26,569	3,301	3,301	29,870
Cumulative effects of changes in accounting policies		-			-
Restated balance	(392)	26,569	3,301	3,301	29,870
Changes of items during period					
Dividends of surplus		(1,049)			(1,049)
Profit		1,253			1,253
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			(27)	(27)	(27)
Total changes of items during period	(0)	202	(27)	(27)	174
Balance at end of current period	(393)	26,771	3,273	3,273	30,045

7. Other

(1) Management Changes (Effective as of June 22, 2016)

A. New Candidate for Audit & Supervisory Board Member

Mr. Toshihide Tanaka (Currently the Assistant Executive Manager of the Administration Division)

B. Retiring Audit & Supervisory Board Member

Mr. Toshio Nishikawa

*Mr. Toshio Nishikawa will retire after fulfilling his term of office.

Regarding the job experience and other qualifications of the new candidate for Audit & Supervisory Board Member, please refer to “Notice Regarding Management Changes” posted separately today.