

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2017
[Japanese GAAP]**



May 2, 2017

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, 2017
 Scheduled date of filing annual securities report: June 22, 2017
 Scheduled date of commencing dividend payments: June 23, 2017
 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, 2017 (April 1, 2016 to March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	42,504	(7.3)	2,935	(19.3)	3,040	(16.1)	1,750	(16.4)
March 31, 2016	45,840	1.5	3,638	(14.2)	3,623	(23.3)	2,093	(29.0)

(Note) Comprehensive income: Fiscal year ended March 31, 2017: ¥1,648 million [13.6%]

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

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2017	51.70	-	4.4	5.7	6.9
March 31, 2016	61.83	-	5.3	6.8	7.9

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

Fiscal year ended March 31, 2017: ¥- million

Fiscal year ended March 31, 2016: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	54,294	42,307	74.1	1,188.41
As of March 31, 2016	52,865	41,572	75.0	1,171.42

(Reference) Equity: As of March 31, 2017: ¥40,242 million

As of March 31, 2016: ¥39,667 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	Million yen	Million yen	Million yen	Million yen
March 31, 2017	3,040	(642)	(796)	19,161
March 31, 2016	2,955	(987)	(1,210)	17,913

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, 2016	-	10.00	-	12.00	22.00	744	35.6	1.9
Fiscal year ended March 31, 2017	-	10.00	-	12.00	22.00	744	42.6	1.9
Fiscal year ending March 31, 2018 (Forecast)	-	10.00	-	10.00	20.00		30.1	

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

Breakdown of the dividends for the fiscal year ended March 31, 2017: Stable dividend ¥20, Commemorative dividend ¥2

Dividends for the fiscal year ending March 31, 2018 (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 “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 7.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (Cumulative)	20,300	4.5	750	0.8	800	18.6	350	51.6	10.34
Full year	47,000	10.6	3,600	22.6	3,700	21.7	2,250	28.5	66.45

* 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, 2017: 34,536,635 shares
 - March 31, 2016: 34,536,635 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2017: 674,135 shares
 - March 31, 2016: 673,877 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2017: 33,862,599 shares
 - Fiscal year ended March 31, 2016: 33,863,149 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2017	30,717	(4.5)	1,280	(15.1)	1,616	(12.2)	905	(27.7)
March 31, 2016	32,167	(3.9)	1,507	(29.3)	1,841	(35.6)	1,253	(39.4)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2017	26.75	-
March 31, 2016	37.00	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	36,461	30,241	82.9	893.05
As of March 31, 2016	36,003	30,045	83.5	887.27

(Reference) Equity: As of March 31, 2017: ¥30,241 million

As of March 31, 2016: ¥30,045 million

* These financial results are outside the scope of audit.

* 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 Wednesday, May 17, 2017. The materials that will be distributed at the briefing are scheduled to be posted on our website promptly after the session.

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1. Overview of Operating Results, Etc.

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

During the fiscal year ended March 31, 2017, while there were continued improvements in corporate earnings in Japan and Europe's economy also showed signs of recovery, the economic outlook remains uncertain due to factors such as foreign exchange fluctuations as well as behavior of the new American administration and growing geopolitical risks in the Middle East and Asia.

In such an environment, we have focused on creating products and services that contribute to security and safety in the society in order to realize our corporate value "Smiles for the Public." In the domestic market, with "Audio notification capabilities" at the core of our competitiveness, we endeavored to develop products that meet the requirements of our customers' environments or use, including speakers specifically designed for disaster prevention purposes, and also started to provide "Remote Viewing Service" in the security market. In addition, while accelerating the development, production and sales in the 5 global regions, we strove to expand our business by releasing new products and expanding sales network in every country and growing markets.

Net sales during the fiscal year ended March 31, 2017 amounted to ¥42,504 million (down ¥3,336 million, or 7.3%, year on year). Operating profit amounted to ¥2,935 million (down ¥703 million, or 19.3%, year on year), ordinary profit to ¥3,040 million (down ¥582 million, or 16.1%, year on year), and profit attributable to owners of parent to ¥1,750 million (down ¥342 million, or 16.4%, year on year).

Performance by segments is as follows.

(Japan)

Net sales amounted to ¥27,439 million (down ¥960 million, or 3.4%, year on year), and segment profit (operating profit) to ¥4,966 million (down ¥291 million, or 5.5%, year on year).

Sales of "Horn Array Speaker," a highly praised product for disaster reduction and prevention, and "Slim Speaker for Disaster Prevention," a newly launched product, to the municipalities grew, and sales of voice alarm/public address system to the educational market increased. However, net sales and segment profit decreased due to lower sales of overall security products and also in the transportation market including station buildings and railway cars despite favorable sales of "Town Recorder," an outdoor camera-integrated recorder.

(The Americas)

Net sales amounted to ¥3,140 million (down ¥800 million, or 20.3%, year on year), and segment loss (operating loss) to ¥16 million (deteriorated ¥110 million year on year).

Net sales and segment profit decreased due to factors that include a change to the delivery date of a confirmed order for railway cars in the United States, despite an increase in net sales for government sectors and the educational market in the North and Central America.

(Europe, Middle East & Africa)

Net sales amounted to ¥4,377 million (down ¥731 million, or 14.3%, year on year), and segment profit (operating profit) to ¥345 million (down ¥144 million, or 29.5%, year on year).

Net sales decreased due to a decrease in net sales in Europe, the Middle East and Russia, and also effects of the appreciation of yen as well as the depreciation of euro, despite an increase in sales by virtue of large-scale sales for airports and expansion of sales channels in Africa. Segment profit also decreased due to an increase in selling, general and administrative expenses for expansion of sales channels in Europe.

(Asia & Pacific)

Net sales amounted to ¥6,042 million (down ¥273 million, or 4.3%, year on year), and segment profit (operating profit) to ¥739 million (down ¥45 million, or 5.8%, year on year).

Net sales and segment profit decreased due to lower sales in Thailand and effects of the appreciation of yen, despite an increase in net sales for government sectors, the educational market and commercial facilities in Vietnam and robust sales in Indonesia.

(China & East Asia)

Net sales amounted to ¥1,503 million (down ¥569 million, or 27.5%, year on year), and segment profit (operating profit) to ¥299 million (down ¥123 million, or 29.2%, year on year).

Net sales and segment profit decreased due mainly to lower sales for government sectors and the educational market, despite large-scale sales for commercial facilities in China as well as robust sales in Taiwan, centered on sales of broadcasting systems to commercial facilities.

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

Total assets at the end of the fiscal year ended March 31, 2017 increased by ¥1,429 million from the end of the previous fiscal year to ¥54,294 million. Assets increased due mainly to an increase in cash and deposits. Total liabilities increased by ¥694 million from the end of the previous fiscal year to ¥11,987 million. Liabilities increased due mainly to an increase in notes and accounts payable – trade and an increase in short-term loans payable. Net assets increased by ¥735 million from the end of the previous fiscal year to ¥42,307 million due mainly to an increase in retained earnings owing to the recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2017 (hereinafter “cash”) increased by ¥1,248 million from the end of the previous fiscal year to ¥19,161 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 ¥3,040 million. This was mainly attributable to ¥3,040 million of profit before income taxes, depreciation of ¥885 million, increases of ¥230 million in notes and accounts receivable – trade and of ¥268 million in inventories, an increase of ¥368 million in notes and accounts payable – trade, and ¥813 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥642 million. This was mainly attributable to the purchase of manufacturing equipment and equipment for the headquarters that amounted to ¥638 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥796 million. This was mainly attributable to ¥745 million of cash dividends paid.

(4) Future Outlook

Going forward, the global economy is still expected to remain under severe conditions due to the concerns over slowdown in the Chinese economy and the signs of growing geopolitical risks in the Middle East and Asia.

During the first two years of the current medium-term management plan, in Japan, we launched new

products that include the industry's smallest ceiling mount speakers and also began providing "Remote Viewing Service" using security cameras. In the overseas market, we also carried out our business activities in accordance with the medium-term management plan, that include release of several local products that are suitable for a specific market, such as amplifiers for mosques.

During the next fiscal year, the final year of the medium-term management plan, we aim to achieve our business performance targets by further expanding our sales network as well as launching as many new products as possible in the 5 global regions.

At present, our performance forecasts for the fiscal year ending March 31, 2018 are: Net sales of ¥47,000 million, operating profit of ¥3,600 million, ordinary profit of ¥3,700 million, and profit attributable to owners of parent of ¥2,250 million.

(5) 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.

In September 2017, the Company will celebrate the 40th anniversary of its stock exchange listing. On this occasion, as an expression of gratitude to shareholders for their constant support, we have decided to pay a commemorative dividend of ¥2 per share in conjunction with the year-end dividend for the fiscal year ended March 31, 2017.

For the fiscal year ended March 31, 2017, 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, 2018, 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. 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.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	15,283	16,500
Notes and accounts receivable - trade	9,827	9,941
Securities	3,500	3,500
Merchandise and finished goods	5,473	5,547
Work in process	1,003	842
Raw materials and supplies	2,303	2,438
Deferred tax assets	541	567
Other	534	670
Allowance for doubtful accounts	(90)	(76)
Total current assets	38,376	39,932
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,502	7,510
Accumulated depreciation	(4,519)	(4,680)
Buildings and structures, net	2,982	2,830
Machinery, equipment and vehicles	1,465	1,464
Accumulated depreciation	(1,113)	(1,114)
Machinery, equipment and vehicles, net	352	350
Tools, furniture and fixtures	4,080	4,003
Accumulated depreciation	(3,668)	(3,638)
Tools, furniture and fixtures, net	412	364
Land	2,453	2,450
Leased assets	418	433
Accumulated depreciation	(246)	(276)
Leased assets, net	172	156
Construction in progress	173	124
Total property, plant and equipment	6,547	6,276
Intangible assets		
Goodwill	391	329
Software	882	847
Software in progress	81	161
Other	156	172
Total intangible assets	1,512	1,510
Investments and other assets		
Investment securities	5,600	5,631
Long-term loans receivable	2	1
Deferred tax assets	142	152
Net defined benefit asset	20	17
Other	701	791
Allowance for doubtful accounts	(37)	(18)
Total investments and other assets	6,429	6,575
Total non-current assets	14,489	14,362
Total assets	52,865	54,294

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,616	3,926
Short-term loans payable	1,083	1,292
Lease obligations	72	56
Income taxes payable	211	514
Provision for bonuses	187	151
Provision for product warranties	22	16
Other	1,890	1,927
Total current liabilities	7,083	7,885
Non-current liabilities		
Lease obligations	162	136
Deferred tax liabilities	642	620
Net defined benefit liability	2,791	2,739
Other	612	604
Total non-current liabilities	4,208	4,102
Total liabilities	11,292	11,987
Net assets		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus	6,866	6,866
Retained earnings	24,925	25,930
Treasury shares	(393)	(393)
Total shareholders' equity	36,678	37,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,273	3,308
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	(155)	(683)
Remeasurements of defined benefit plans	(129)	(66)
Total accumulated other comprehensive income	2,989	2,558
Non-controlling interests	1,905	2,065
Total net assets	41,572	42,307
Total liabilities and net assets	52,865	54,294

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

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net sales	45,840	42,504
Cost of sales	26,416	24,054
Gross profit	19,423	18,449
Selling, general and administrative expenses	15,785	15,514
Operating profit	3,638	2,935
Non-operating income		
Interest income	45	28
Dividend income	66	74
Insurance and dividend income	26	26
Other	108	84
Total non-operating income	247	213
Non-operating expenses		
Interest expenses	25	27
Foreign exchange losses	186	62
Other	49	17
Total non-operating expenses	262	107
Ordinary profit	3,623	3,040
Profit before income taxes	3,623	3,040
Income taxes - current	972	1,007
Income taxes - deferred	195	(111)
Total income taxes	1,168	895
Profit	2,455	2,145
Profit attributable to non-controlling interests	361	394
Profit attributable to owners of parent	2,093	1,750

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Profit	2,455	2,145
Other comprehensive income		
Valuation difference on available-for-sale securities	(27)	35
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	(839)	(573)
Remeasurements of defined benefit plans, net of tax	(138)	40
Total other comprehensive income	(1,004)	(497)
Comprehensive income	1,450	1,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,204	1,320
Comprehensive income attributable to non-controlling interests	246	328

(3) Consolidated Statements of Changes in Net Assets

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
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	Deferred gains or losses on hedges	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
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

Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	24,925	(393)	36,678
Changes of items during period					
Dividends of surplus			(744)		(744)
Profit attributable to owners of parent			1,750		1,750
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	1,005	(0)	1,005
Balance at end of current period	5,279	6,866	25,930	(393)	37,683

	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 beginning of current period	3,273	-	(155)	(129)	2,989	1,905	41,572
Changes of items during period							
Dividends of surplus							(744)
Profit attributable to owners of parent							1,750
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	35	0	(528)	62	(430)	160	(270)
Total changes of items during period	35	0	(528)	62	(430)	160	735
Balance at end of current period	3,308	0	(683)	(66)	2,558	2,065	42,307

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	3,623	3,040
Depreciation	932	885
Increase (decrease) in net defined benefit liability	(13)	36
Interest and dividend income	(112)	(102)
Foreign exchange losses (gains)	37	15
Interest expenses	25	27
Increase (decrease) in provision for product warranties	(144)	(4)
Decrease (increase) in notes and accounts receivable - trade	1,259	(230)
Decrease (increase) in inventories	105	(268)
Increase (decrease) in notes and accounts payable - trade	(793)	368
Other, net	(631)	9
Subtotal	4,288	3,778
Interest and dividend income received	87	101
Interest expenses paid	(19)	(25)
Income taxes (paid) refund	(1,400)	(813)
Net cash provided by (used in) operating activities	2,955	3,040
Cash flows from investing activities		
Payments into time deposits	(429)	(508)
Proceeds from withdrawal of time deposits	407	523
Purchase of property, plant and equipment	(524)	(250)
Proceeds from sales of property, plant and equipment	2	3
Purchase of intangible assets	(334)	(387)
Collection of loans receivable	0	0
Payments for transfer of business	(94)	-
Other, net	(15)	(23)
Net cash provided by (used in) investing activities	(987)	(642)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	84	208
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	0
Repayments of finance lease obligations	(55)	(76)
Cash dividends paid	(1,047)	(745)
Dividends paid to non-controlling interests	(191)	(182)
Net cash provided by (used in) financing activities	(1,210)	(796)
Effect of exchange rate change on cash and cash equivalents	(438)	(352)
Net increase (decrease) in cash and cash equivalents	318	1,248
Cash and cash equivalents at beginning of period	17,594	17,913
Cash and cash equivalents at end of period	17,913	19,161

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	6,590	7,116
Notes receivable - trade	1,802	2,381
Accounts receivable - trade	6,070	5,637
Securities	3,500	3,500
Finished goods	2,887	2,627
Work in process	195	189
Raw materials and supplies	353	298
Prepaid expenses	109	125
Deferred tax assets	206	264
Other	265	141
Allowance for doubtful accounts	(60)	(55)
Total current assets	21,922	22,227
Non-current assets		
Property, plant and equipment		
Buildings, net	1,922	1,839
Structures, net	11	9
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	120	95
Land	2,217	2,217
Leased assets, net	14	8
Construction in progress	103	106
Total property, plant and equipment	4,390	4,277
Intangible assets		
Software	830	805
Software in progress	36	72
Other	74	72
Total intangible assets	941	950
Investments and other assets		
Investment securities	5,596	5,627
Shares of subsidiaries and associates	2,220	2,492
Investments in capital of subsidiaries and associates	670	670
Other	299	234
Allowance for doubtful accounts	(37)	(18)
Total investments and other assets	8,749	9,007
Total non-current assets	14,081	14,234
Total assets	36,003	36,461

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes payable - trade	12	-
Accounts payable - trade	1,463	1,418
Short-term loans payable	25	25
Lease obligations	7	2
Accounts payable - other	535	524
Income taxes payable	40	402
Accrued expenses	432	377
Other	137	183
Total current liabilities	2,654	2,933
Non-current liabilities		
Lease obligations	8	6
Provision for retirement benefits	2,200	2,233
Deferred tax liabilities	581	537
Other	513	509
Total non-current liabilities	3,304	3,286
Total liabilities	5,958	6,220
Net assets		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	0	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	11,466	11,627
Total retained earnings	15,076	15,237
Treasury shares	(393)	(393)
Total shareholders' equity	26,771	26,932
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,273	3,308
Total valuation and translation adjustments	3,273	3,308
Total net assets	30,045	30,241
Total liabilities and net assets	36,003	36,461

(2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Net sales	32,167	30,717
Cost of sales	20,255	18,964
Gross profit	11,912	11,752
Selling, general and administrative expenses	10,404	10,472
Operating profit	1,507	1,280
Non-operating income		
Interest and dividend income	335	266
Foreign exchange gains	-	20
Miscellaneous income	77	61
Total non-operating income	412	347
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	69	-
Miscellaneous loss	4	6
Total non-operating expenses	79	11
Ordinary profit	1,841	1,616
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	-	295
Total extraordinary losses	-	295
Profit before income taxes	1,841	1,320
Income taxes - current	389	513
Income taxes - deferred	198	(98)
Total income taxes	588	415
Profit	1,253	905

(3) Non-consolidated Statements of Changes in Net Assets
 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
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
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

Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	0	6,808	679	2,930	11,466	15,076
Changes of items during period								
Dividends of surplus							(744)	(744)
Profit							905	905
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	-	-	160	160
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	11,627	15,237

(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	(393)	26,771	3,273	3,273	30,045
Changes of items during period					
Dividends of surplus		(744)			(744)
Profit		905			905
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			35	35	35
Total changes of items during period	(0)	160	35	35	195
Balance at end of current period	(393)	26,932	3,308	3,308	30,241