

Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2017
(Japanese GAAP)



February 3, 2017
 Tokyo Stock Exchanges in Japan

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 Code number : 5991
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Filing date of quarterly securities report : February 6, 2017
 Payment date of cash dividends : —
 Supplemental materials prepared for financial results : No
 Earnings announcement for financial results : No

(Amounts less than one million yen are rounded down)

1. Consolidated Results for the Third Quarter of Fiscal Year 2017 (April 1, 2016 through December 31, 2016)

(1) Consolidated Financial Results (Percentage indicates change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary Income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2017 3rd quarter	458,333	(3.5)	27,688	8.7	29,451	3.4	20,739	7.3
FY2016 3rd quarter	474,972	8.0	25,470	16.7	28,485	2.2	19,334	1.9

Note: Comprehensive income : FY2017 3rd quarter 20,297 million yen (47.8 %) FY2016 3rd quarter 13,735 million yen (59.8) %

	Net income per share, Basic		Net income per share, Diluted	
	Yen	Yen	Yen	Yen
FY2017 3rd quarter	85.39		83.02	
FY2016 3rd quarter	79.60		77.40	

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets
	Millions of yen	Millions of yen	%
FY2017 3rd quarter	524,879	284,453	51.9
FY2016	509,810	269,837	50.5

Reference: Shareholders' equity (Net assets excluding non-controlling interests)
 : FY2017 3rd quarter 272,377 million yen FY2016 257,243 million yen

2. Dividends

	Cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
FY2016	—	11.00	—	11.00	22.00
FY2017	—	11.00	—		
FY2017 (Forecast)				11.00	22.00

Note: Revisions to the forecast of dividends since the latest announcement: No

3. Forecast of Consolidated Results for Fiscal Year 2017 (April 1, 2016 through March 31, 2017)

(Percentage indicates change 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, basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	622,000	(2.9)	37,000	5.6	38,000	5.2	23,000	6.5	94.69

Note: Revisions to the forecast of consolidated results since the latest announcement: Yes

4. Others

- (1) Changes of significant subsidiaries in the third quarter of fiscal year 2017 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements : No
- (3) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements
- [1] Changes due to revisions of accounting standards : Yes
 - [2] Changes due to other reasons : No
 - [3] Changes of estimation due to accounting issues : No
 - [4] Restatements : No

(4) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares	As of December 31, 2016	244,066,144 shares	As of March 31, 2016	244,066,144 shares
[2] Number of treasury stock	As of December 31, 2016	1,175,515 shares	As of March 31, 2016	1,174,884 shares
[3] Average number of shares	3rd quarter of FY2017	242,890,976 shares	3rd quarter of FY2016	242,892,445 shares

* The status of the implementation of the third quarterly review

This third quarterly review is completed on the basis of the Financial Instruments and Exchange Act on the date for the release of this quarterly report.

In addition, this quarterly report is exempt from quarterly review procedure upon of the Financial Instruments and Exchange Act.

* Explanation about appropriate use of the financial results forecasts, and other noteworthy matters

Statements related to the future, including the forecast of financial results, were based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2016 (As of 31 March, 2016)	FY2017 (As of 31 December, 2016)
Assets		
Current assets		
Cash and deposits	72,553	75,708
Notes and accounts receivable - trade	133,422	131,761
Merchandise and finished goods	16,787	16,081
Work in process	7,554	9,206
Raw materials and supplies	14,336	14,192
Partly-finished goods	4,608	4,722
Deferred tax assets	5,135	4,069
Other	22,570	23,507
Allowance for doubtful accounts	(133)	(276)
Total current assets	276,834	278,973
Non-current assets		
Property, plant and equipment		
Buildings and structures	134,343	134,126
Accumulated depreciation	(86,222)	(86,931)
Buildings and structures, net	48,121	47,194
Machinery, equipment and vehicles	223,282	224,644
Accumulated depreciation	(177,281)	(175,672)
Machinery, equipment and vehicles, net	46,000	48,971
Land	31,483	30,461
Leased assets	1,212	1,129
Accumulated depreciation	(718)	(603)
Leased assets, net	494	526
Construction in progress	12,026	7,017
Other	62,578	64,029
Accumulated depreciation	(55,068)	(56,030)
Other, net	7,510	7,999
Total property, plant and equipment	145,636	142,171
Intangible assets	4,307	3,387
Investments and other assets		
Investment securities	61,031	72,714
Long-term loans receivable	8,830	11,134
Deferred tax assets	5,438	3,883
Net defined benefit asset	—	2,576
Other	8,472	10,816
Allowance for doubtful accounts	(740)	(776)
Total investments and other assets	83,032	100,347
Total non-current assets	232,976	245,906
Total assets	509,810	524,879

(Unit: Millions of yen)

	FY2016 (As of 31 March, 2016)	FY2017 (As of 31 December, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	81,660	72,036
Electronically recorded obligations - operating	29,561	41,385
Short-term loans payable	9,145	13,365
Income taxes payable	3,310	3,392
Deferred tax liabilities	576	605
Provision for directors' bonuses	267	187
Notes payable - facilities	2,320	3,046
Other	47,563	35,279
Total current liabilities	174,407	169,299
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	11,268	11,649
Long-term loans payable	16,917	22,752
Lease obligations	481	479
Deferred tax liabilities	7,968	11,482
Net defined benefit liability	24,216	15,514
Provision for directors' retirement benefits	571	552
Provision for officers' retirement benefits	644	734
Other	3,498	7,960
Total non-current liabilities	65,565	71,126
Total liabilities	239,972	240,426
Net assets		
Shareholders' equity		
Capital stock	17,009	17,009
Capital surplus	19,404	19,579
Retained earnings	196,477	211,873
Treasury stock	(801)	(801)
Total shareholders' equity	232,090	247,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,513	30,544
Foreign currency translation adjustment	9,442	(1,544)
Remeasurements of defined benefit plans	(5,803)	(4,282)
Total accumulated other comprehensive income	25,152	24,716
Non-controlling interests	12,594	12,076
Total net assets	269,837	284,453
Total liabilities and net assets	509,810	524,879

(2) Quarterly Consolidated Statement of (Comprehensive) Income
(Quarterly Consolidated Statements of Income)
(Nine Months Ended December 31, 2016)

(Unit: Millions of yen)

	FY2016 (9 months ended December 31, 2015)	FY2017 (9 months ended December 31, 2016)
Net sales	474,972	458,333
Cost of sales	417,061	398,078
Gross profit	57,910	60,254
Selling, general and administrative expenses	32,439	32,566
Operating income	25,470	27,688
Non-operating income		
Interest income	823	712
Dividend income	1,215	960
Other	2,077	1,538
Total non-operating income	4,116	3,212
Non-operating expenses		
Interest expenses	224	123
Foreign exchange losses	29	306
Other	847	1,018
Total non-operating expenses	1,100	1,448
Ordinary income	28,485	29,451
Extraordinary income		
Gain on revision of retirement benefit plan	—	1,064
Total extraordinary income	—	1,064
Extraordinary losses		
Loss on sales of non-current assets	68	—
Impairment loss	—	689
Total extraordinary losses	68	689
Profit before income taxes	28,417	29,826
income taxes	7,810	7,890
Profit	20,607	21,936
Profit attributable to non-controlling interests	1,272	1,196
Profit attributable to owners of parent	19,334	20,739

(Quarterly Consolidated Statements of Comprehensive Income)
(Nine Months Ended December 31, 2016)

(Unit: Millions of yen)

	FY2016 (9 months ended December 31, 2015)	FY2017 (9 months ended December 31, 2016)
Profit	20,607	21,936
Other comprehensive income		
Valuation difference on available-for-sale securities	2,156	9,040
Foreign currency translation adjustment	(7,344)	(11,852)
Remeasurements of defined benefit plans, net of tax	(681)	1,545
Share of other comprehensive income of entities accounted for using equity method	(1,001)	(373)
Total other comprehensive income	(6,871)	(1,639)
Comprehensive income	13,735	20,297
Comprehensive income attributable to:		
Owners of parent	13,038	20,303
Non-controlling interests	696	(6)