

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



May 15, 2017

Company name: Ryoden Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8084
 URL: <http://www.ryoden.co.jp/>
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Scheduled date of Annual General Meeting of Shareholders: June 29, 2017

Scheduled date of filing annual securities report: June 29, 2017

Scheduled date of commencing dividend payments: June 8, 2017

Availability of supplementary briefing material on annual financial results: No

Schedule of annual financial results briefing session: No

(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 | 219,225 | (1.2) | 2,730 | (25.7) | 2,442 | (25.9) | 1,388 | (24.8) |
| Fiscal year ended March 31, 2016 | 221,990 | (6.7) | 3,673 | (26.4) | 3,296 | (26.8) | 1,846 | (36.1) |

(Note) Comprehensive income: Fiscal year ended March 31, 2017: ¥1,574 million [-%]

Fiscal year ended March 31, 2016: ¥12 million [(99.8)%]

| | Profit per share | Diluted profit per share | Return on equity | Ordinary profit to total assets | Operating profit to net sales |
|----------------------------------|------------------|--------------------------|------------------|---------------------------------|-------------------------------|
| | Yen | Yen | % | % | % |
| Fiscal year ended March 31, 2017 | 32.02 | 31.94 | 2.3 | 2.0 | 1.2 |
| Fiscal year ended March 31, 2016 | 42.61 | 42.55 | 3.0 | 2.7 | 1.7 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of March 31, 2017 | 122,763 | 60,975 | 49.6 | 1,404.51 |
| As of March 31, 2016 | 119,382 | 60,401 | 50.5 | 1,392.47 |

(Reference) Equity: As of March 31, 2017: ¥60,911 million

As of March 31, 2016: ¥60,348 million

(3) Consolidated Cash Flows

| | Net cash provided by (used in) operating activities | Net cash provided by (used in) investing activities | Net cash provided by (used in) financing activities | Cash and cash equivalents at end of period |
|-------------------------------------|---|---|---|--|
| | Million yen | Million yen | Million yen | Million yen |
| Fiscal year ended March 31, 2017 | 4,601 | 474 | (2,227) | 19,163 |
| Fiscal year ended March 31, 2016 | 3,747 | (777) | (1,550) | 16,660 |

2. Dividends

| | Annual dividends | | | | | Total dividends | Payout ratio (consolidated) | Dividends to net assets (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 | - | 13.00 | - | 13.00 | 26.00 | 1,126 | 61.0 | 1.9 |
| Fiscal year ended March 31, 2017 | - | 11.00 | - | 11.00 | 22.00 | 954 | 68.7 | 1.6 |
| Fiscal year ending March 31, 2018 (Forecast) | - | 11.00 | - | 22.00 | - | | 45.4 | |

At the meeting of the Board of Directors held today, it was resolved to submit a proposal for a share consolidation (consolidation of two shares of common stock into one share) with the effective date on October 1, 2017 to the Company's 77th Ordinary General Meeting of Shareholders to be held on June 29, 2017. For the dividend forecast for the fiscal year ending March 31, 2018, the amounts of cash dividend per share taken into account of the above share consolidation are stated.

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 | | Profit per share |
|------------|-------------|-----|------------------|------|-----------------|-------|---|-------|------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| First half | 110,500 | 7.6 | 1,500 | 81.9 | 1,500 | 161.6 | 1,000 | 235.0 | 23.06 |
| Full year | 224,800 | 2.5 | 3,300 | 20.9 | 3,200 | 31.0 | 2,100 | 51.3 | 96.84 |

For profit per share in the consolidated results forecast for the fiscal year ending March 31, 2018, the amounts of profit per share taken into account of the above share consolidation are stated.

* 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: No
 - 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 stock)

1) Total number of issued shares at the end of the period (including treasury stock):

March 31, 2017: 45,649,955 shares

March 31, 2016: 45,649,955 shares

2) Total number of treasury stock at the end of the period:

March 31, 2017: 2,281,216 shares

March 31, 2016: 2,311,234 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2017: 43,357,438 shares

Fiscal year ended March 31, 2016: 43,341,944 shares

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 | 190,435 | 0.7 | 2,362 | (23.5) | 2,380 | (21.6) | 1,710 | (27.3) |
| Fiscal year ended March 31, 2016 | 189,204 | (2.7) | 3,087 | (17.8) | 3,037 | (4.6) | 2,352 | 23.8 |

| | Profit per share | | Diluted profit per share | |
|----------------------------------|------------------|--|--------------------------|--|
| | Yen | | Yen | |
| Fiscal year ended March 31, 2017 | 39.45 | | 39.36 | |
| Fiscal year ended March 31, 2016 | 54.28 | | 54.20 | |

(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 | 111,194 | | 54,825 | | 49.2 | | 1,262.70 | |
| As of March 31, 2016 | 105,118 | | 53,489 | | 50.8 | | 1,232.98 | |

(Reference) Equity: As of March 31, 2017: ¥54,761 million

As of March 31, 2016: ¥53,435 million

*These financial results are outside the scope of audit.

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

The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions which the Company believes to be reasonable at this time. Actual results may be different from any projections presented herein due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,665 | 19,168 |
| Notes and accounts receivable - trade | 54,853 | 55,832 |
| Electronically recorded monetary claims - operating | 6,242 | 9,586 |
| Securities | 853 | — |
| Merchandise and finished goods | 20,510 | 18,670 |
| Short-term loans receivable | 241 | — |
| Deferred tax assets | 854 | 686 |
| Other | 3,997 | 3,286 |
| Allowance for doubtful accounts | (244) | (200) |
| Total current assets | 103,975 | 107,030 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 2,902 | 2,871 |
| Accumulated depreciation | (1,845) | (1,905) |
| Buildings and structures, net | 1,056 | 966 |
| Machinery, equipment and vehicles | 666 | 660 |
| Accumulated depreciation | (146) | (198) |
| Machinery, equipment and vehicles, net | 520 | 462 |
| Tools, furniture and fixtures | 1,118 | 1,230 |
| Accumulated depreciation | (737) | (881) |
| Tools, furniture and fixtures, net | 381 | 349 |
| Land | 3,090 | 3,090 |
| Construction in progress | 39 | 15 |
| Total property, plant and equipment | 5,088 | 4,883 |
| Intangible assets | | |
| Software | 561 | 587 |
| Other | 108 | 70 |
| Total intangible assets | 669 | 658 |
| Investments and other assets | | |
| Investment securities | 6,900 | 8,056 |
| Long-term prepaid expenses | 68 | 51 |
| Deferred tax assets | 731 | 279 |
| Other | 2,001 | 2,227 |
| Allowance for doubtful accounts | (53) | (425) |
| Total investments and other assets | 9,648 | 10,190 |
| Total non-current assets | 15,407 | 15,732 |
| Total assets | 119,382 | 122,763 |

(Million yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 39,088 | 41,529 |
| Electronically recorded obligations - operating | 7,897 | 10,489 |
| Short-term loans payable | 2,083 | 761 |
| Income taxes payable | 736 | 263 |
| Other | 3,341 | 2,996 |
| Total current liabilities | 53,146 | 56,039 |
| Non-current liabilities | | |
| Net defined benefit liability | 4,610 | 4,579 |
| Other | 1,224 | 1,168 |
| Total non-current liabilities | 5,834 | 5,748 |
| Total liabilities | 58,981 | 61,787 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 10,334 | 10,334 |
| Capital surplus | 7,380 | 7,392 |
| Retained earnings | 42,348 | 42,705 |
| Treasury shares | (864) | (855) |
| Total shareholders' equity | 59,199 | 59,576 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,368 | 2,003 |
| Foreign currency translation adjustment | 1,141 | 661 |
| Remeasurements of defined benefit plans | (1,360) | (1,329) |
| Total accumulated other comprehensive income | 1,148 | 1,334 |
| Subscription rights to shares | 53 | 63 |
| Total net assets | 60,401 | 60,975 |
| Total liabilities and net assets | 119,382 | 122,763 |

(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 | 221,990 | 219,225 |
| Cost of sales | 198,869 | 197,164 |
| Gross profit | 23,121 | 22,060 |
| Selling, general and administrative expenses | 19,448 | 19,329 |
| Operating profit | 3,673 | 2,730 |
| Non-operating income | | |
| Interest income | 83 | 52 |
| Dividend income | 138 | 118 |
| Share of profit of entities accounted for using equity method | 49 | 32 |
| Gain on valuation of investment securities | — | 54 |
| Rent income on non-current assets | 40 | 62 |
| Other | 92 | 140 |
| Total non-operating income | 405 | 460 |
| Non-operating expenses | | |
| Interest expenses | 44 | 39 |
| Sales discounts | 86 | 100 |
| Loss on sales of accounts receivable | 57 | 40 |
| Foreign exchange losses | 376 | 375 |
| Loss on valuation of investment securities | 99 | — |
| Other | 117 | 193 |
| Total non-operating expenses | 781 | 749 |
| Ordinary profit | 3,296 | 2,442 |
| Extraordinary income | | |
| Gain on sales of investment securities | 77 | 83 |
| Total extraordinary income | 77 | 83 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 68 | — |
| Loss on valuation of shares of subsidiaries and associates | 179 | 63 |
| Impairment loss on noncurrent assets | — | 21 |
| Total extraordinary losses | 247 | 84 |
| Profit before income taxes | 3,126 | 2,441 |
| Income taxes - current | 1,316 | 737 |
| Income taxes - deferred | (36) | 315 |
| Total income taxes | 1,279 | 1,053 |
| Profit | 1,846 | 1,388 |
| Profit attributable to owners of parent | 1,846 | 1,388 |

Consolidated Statements of Comprehensive Income

(Million yen)

| | For the fiscal year ended March 31, 2016 | For the fiscal year ended March 31, 2017 |
|--|---|---|
| Profit | 1,846 | 1,388 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (376) | 634 |
| Foreign currency translation adjustment | (284) | (479) |
| Remeasurements of defined benefit plans, net of tax | (1,173) | 30 |
| Total other comprehensive income | (1,834) | 186 |
| Comprehensive income | 12 | 1,574 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 12 | 1,574 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2016

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 10,334 | 7,380 | 41,585 | (857) | 58,442 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,083) | | (1,083) |
| Profit attributable to owners of parent | | | 1,846 | | 1,846 |
| Change of scope of consolidation | | | | | |
| Purchase of treasury shares | | | | (6) | (6) |
| Disposal of treasury shares | | | | | |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | | | 763 | (6) | 756 |
| Balance at end of current period | 10,334 | 7,380 | 42,348 | (864) | 59,199 |

| | Accumulated other comprehensive income | | | | Subscription rights to shares | 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 | 1,744 | 1,426 | (187) | 2,983 | 18 | 61,444 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,083) |
| Profit attributable to owners of parent | | | | | | 1,846 |
| Change of scope of consolidation | | | | | | |
| Purchase of treasury shares | | | | | | (6) |
| Disposal of treasury shares | | | | | | |
| Net changes of items other than shareholders' equity | (376) | (284) | (1,173) | (1,834) | 35 | (1,799) |
| Total changes of items during period | (376) | (284) | (1,173) | (1,834) | 35 | (1,043) |
| Balance at end of current period | 1,368 | 1,141 | (1,360) | 1,148 | 53 | 60,401 |

For the fiscal year ended March 31, 2017

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 10,334 | 7,380 | 42,348 | (864) | 59,199 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,040) | | (1,040) |
| Profit attributable to owners of parent | | | 1,388 | | 1,388 |
| Change of scope of consolidation | | | 9 | | 9 |
| Purchase of treasury shares | | | | (4) | (4) |
| Disposal of treasury shares | | 11 | | 13 | 24 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | | 11 | 357 | 9 | 377 |
| Balance at end of current period | 10,334 | 7,392 | 42,705 | (855) | 59,576 |

| | Accumulated other comprehensive income | | | | Subscription rights to shares | 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 | 1,368 | 1,141 | (1,360) | 1,148 | 53 | 60,401 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,040) |
| Profit attributable to owners of parent | | | | | | 1,388 |
| Change of scope of consolidation | | | | | | 9 |
| Purchase of treasury shares | | | | | | (4) |
| Disposal of treasury shares | | | | | | 24 |
| Net changes of items other than shareholders' equity | 634 | (479) | 30 | 186 | 9 | 195 |
| Total changes of items during period | 634 | (479) | 30 | 186 | 9 | 573 |
| Balance at end of current period | 2,003 | 661 | (1,329) | 1,334 | 63 | 60,975 |

(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 | 3,126 | 2,441 |
| Depreciation | 556 | 558 |
| Increase (decrease) in allowance for doubtful accounts | 163 | 255 |
| Increase (decrease) in net defined benefit liability | (44) | 13 |
| Interest and dividend income | (221) | (171) |
| Interest expenses | 44 | 39 |
| Share of (profit) loss of entities accounted for using equity method | (49) | (32) |
| Loss (gain) on sales and retirement of non-current assets | 5 | 8 |
| Loss (gain) on sales of investment securities | (77) | (83) |
| Loss (gain) on valuation of investment securities | 168 | (54) |
| Loss on valuation of shares of subsidiaries and associates | 179 | 63 |
| Decrease (increase) in notes and accounts receivable - trade | 2,631 | (4,614) |
| Decrease (increase) in inventories | 942 | 1,611 |
| Increase (decrease) in notes and accounts payable - trade | (5,409) | 5,373 |
| Other, net | 2,571 | 344 |
| Subtotal | 4,586 | 5,754 |
| Interest and dividend income received | 227 | 196 |
| Interest expenses paid | (44) | (39) |
| Income taxes paid | (1,023) | (1,309) |
| Net cash provided by (used in) operating activities | 3,747 | 4,601 |
| Cash flows from investing activities | | |
| Proceeds from redemption of securities | 200 | 1,053 |
| Purchase of property, plant and equipment | (715) | (219) |
| Proceeds from sales of property, plant and equipment | 166 | 2 |
| Purchase of intangible assets | (283) | (114) |
| Purchase of investment securities | (886) | (1,009) |
| Proceeds from sales of investment securities | 1,100 | 659 |
| Other, net | (358) | 102 |
| Net cash provided by (used in) investing activities | (777) | 474 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (459) | (1,182) |
| Net decrease (increase) in treasury shares | (6) | (4) |
| Cash dividends paid | (1,083) | (1,041) |
| Net cash provided by (used in) financing activities | (1,550) | (2,227) |
| Effect of exchange rate change on cash and cash equivalents | (173) | (357) |
| Net increase (decrease) in cash and cash equivalents | 1,246 | 2,490 |
| Cash and cash equivalents at beginning of period | 15,413 | 16,660 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | — | 12 |
| Cash and cash equivalents at end of period | 16,660 | 19,163 |

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 | 10,326 | 13,745 |
| Notes receivable - trade | 7,920 | 6,990 |
| Electronically recorded monetary claims - operating | 6,232 | 9,580 |
| Accounts receivable - trade | 43,404 | 45,884 |
| Securities | 853 | — |
| Merchandise and finished goods | 16,139 | 15,049 |
| Advance payments - trade | 53 | 107 |
| Prepaid expenses | 25 | 18 |
| Deferred tax assets | 750 | 643 |
| Short-term loans receivable | 127 | — |
| Accounts receivable - other | 2,915 | 2,397 |
| Other | 862 | 444 |
| Allowance for doubtful accounts | (49) | (25) |
| Total current assets | 89,562 | 94,835 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 1,032 | 949 |
| Machinery and equipment | 520 | 462 |
| Vehicles | 0 | 0 |
| Tools, furniture and fixtures | 330 | 309 |
| Land | 3,016 | 3,016 |
| Leased assets | 13 | 9 |
| Construction in progress | 39 | 0 |
| Total property, plant and equipment | 4,953 | 4,749 |
| Intangible assets | | |
| Software | 557 | 584 |
| Other | 106 | 70 |
| Total intangible assets | 664 | 655 |
| Investments and other assets | | |
| Investment securities | 5,239 | 6,170 |
| Shares of subsidiaries and associates | 2,458 | 2,668 |
| Deferred tax assets | 177 | — |
| Long-term prepaid expenses | 68 | 51 |
| Other | 2,048 | 2,185 |
| Allowance for doubtful accounts | (53) | (121) |
| Total investments and other assets | 9,938 | 10,954 |
| Total non-current assets | 15,556 | 16,358 |
| Total assets | 105,118 | 111,194 |

(Million yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable - trade | 5,390 | 5,080 |
| Electronically recorded obligations - operating | 7,897 | 10,489 |
| Accounts payable - trade | 30,206 | 33,061 |
| Short-term loans payable | 454 | 550 |
| Lease obligations | 11 | 12 |
| Accounts payable - other | 930 | 843 |
| Accrued expenses | 1,341 | 1,332 |
| Income taxes payable | 656 | 225 |
| Advances received | 199 | 46 |
| Deposits received | 63 | 146 |
| Provision for directors' bonuses | 25 | 24 |
| Other | 463 | 357 |
| Total current liabilities | 47,641 | 52,170 |
| Non-current liabilities | | |
| Lease obligations | 36 | 24 |
| Provision for retirement benefits | 2,771 | 2,983 |
| Long-term accounts payable - other | 129 | 64 |
| Long-term guarantee deposited | 1,024 | 1,049 |
| Asset retirement obligations | 25 | 25 |
| Deferred tax liabilities | — | 51 |
| Total non-current liabilities | 3,987 | 4,199 |
| Total liabilities | 51,629 | 56,369 |

(Million yen)

| | As of March 31, 2016 | As of March 31, 2017 |
|---|----------------------|----------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 10,334 | 10,334 |
| Capital surplus | | |
| Legal capital surplus | 7,355 | 7,355 |
| Other capital surplus | 25 | 36 |
| Total capital surpluses | 7,380 | 7,392 |
| Retained earnings | | |
| Legal retained earnings | 788 | 788 |
| Other retained earnings | | |
| Reserve for reduction entry of land | 238 | 238 |
| Reserve for special depreciation | 313 | 255 |
| General reserve | 11,100 | 11,100 |
| Retained earnings brought forward | 22,776 | 23,504 |
| Total retained earnings | 35,217 | 35,887 |
| Treasury shares | (864) | (855) |
| Total shareholders' equity | 52,067 | 52,758 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 1,368 | 2,003 |
| Total valuation and translation adjustments | 1,368 | 2,003 |
| Subscription rights to shares | 53 | 63 |
| Total net assets | 53,489 | 54,825 |
| Total liabilities and net assets | 105,118 | 111,194 |

(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 | 189,204 | 190,435 |
| Cost of sales | 169,560 | 171,406 |
| Gross profit | 19,643 | 19,028 |
| Selling, general and administrative expenses | 16,556 | 16,665 |
| Operating profit | 3,087 | 2,362 |
| Non-operating income | | |
| Interest and dividend income | 353 | 270 |
| Other | 179 | 264 |
| Total non-operating income | 533 | 535 |
| Non-operating expenses | | |
| Interest expenses | 38 | 23 |
| Foreign exchange losses | 212 | 163 |
| Other | 331 | 330 |
| Total non-operating expenses | 582 | 517 |
| Ordinary profit | 3,037 | 2,380 |
| Extraordinary income | | |
| Gain on liquidation of subsidiaries | 417 | — |
| Gain on sales of investment securities | 77 | 83 |
| Total extraordinary income | 494 | 83 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 68 | — |
| Impairment loss on noncurrent assets | — | 21 |
| Loss on valuation of shares of subsidiaries and associates | 60 | 17 |
| Total extraordinary losses | 128 | 38 |
| Profit before income taxes | 3,403 | 2,426 |
| Income taxes - current | 1,171 | 655 |
| Income taxes - deferred | (120) | 60 |
| Total income taxes | 1,050 | 715 |
| Profit | 2,352 | 1,710 |

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

For the fiscal year ended March 31, 2016

(Million yen)

| | Shareholders' equity | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | Capital stock | Capital surplus | | |
| | | Legal capital surplus | Total capital surplus | Total capital surplus |
| Balance at beginning of current period | 10,334 | 7,355 | 25 | 7,380 |
| Changes of items during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Provision of reserve for reduction entry of land | | | | |
| Provision of reserve for special depreciation | | | | |
| Reversal of reserve for special depreciation | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | | |
| Net changes of items other than shareholders' equity | | | | |
| Total changes of items during period | | | | |
| Balance at end of current period | 10,334 | 7,355 | 25 | 7,380 |

| | Shareholders' equity | | | | | |
|--|-------------------------|----------------------------------|-----------------|--------|-----------------------------------|-------------------------|
| | Retained earnings | | | | | Total retained earnings |
| | Legal retained earnings | Other retained earnings | | | Retained earnings brought forward | |
| Reserve for reduction entry of land | | Reserve for special depreciation | General reserve | | | |
| Balance at beginning of current period | 788 | 232 | 361 | 11,100 | 21,465 | 33,948 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | (1,083) | (1,083) |
| Profit | | | | | 2,352 | 2,352 |
| Provision of reserve for reduction entry of land | | 5 | | | (5) | — |
| Provision of reserve for special depreciation | | | 7 | | (7) | — |
| Reversal of reserve for special depreciation | | | (55) | | 55 | — |
| Purchase of treasury shares | | | | | | |
| Disposal of treasury shares | | | | | | |
| Net changes of items other than shareholders' equity | | | | | | |
| Total changes of items during period | | 5 | (48) | | 1,311 | 1,268 |
| Balance at end of current period | 788 | 238 | 313 | 11,100 | 22,776 | 35,217 |

(Million yen)

| | Shareholders' equity | | Valuation and translation adjustments | | Subscription rights to shares | 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 | (857) | 50,805 | 1,744 | 1,744 | 18 | 52,568 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | (1,083) | | | | (1,083) |
| Profit | | 2,352 | | | | 2,352 |
| Provision of reserve for reduction entry of land | | — | | | | — |
| Provision of reserve for special depreciation | | — | | | | — |
| Reversal of reserve for special depreciation | | — | | | | — |
| Purchase of treasury shares | (6) | (6) | | | | (6) |
| Disposal of treasury shares | | | | | | |
| Net changes of items other than shareholders' equity | | | (376) | (376) | 35 | (341) |
| Total changes of items during period | (6) | 1,262 | (376) | (376) | 35 | 921 |
| Balance at end of current period | (864) | 52,067 | 1,368 | 1,368 | 53 | 53,489 |

For the fiscal year ended March 31, 2017

(Million yen)

| | Shareholders' equity | | | |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| | Capital stock | Capital surplus | | |
| | | Legal capital surplus | Total capital surplus | Total capital surplus |
| Balance at beginning of current period | 10,334 | 7,355 | 25 | 7,380 |
| Changes of items during period | | | | |
| Dividends of surplus | | | | |
| Profit | | | | |
| Provision of reserve for reduction entry of land | | | | |
| Provision of reserve for special depreciation | | | | |
| Reversal of reserve for special depreciation | | | | |
| Purchase of treasury shares | | | | |
| Disposal of treasury shares | | | 11 | 11 |
| Net changes of items other than shareholders' equity | | | | |
| Total changes of items during period | | | 11 | 11 |
| Balance at end of current period | 10,334 | 7,355 | 36 | 7,392 |

| | Shareholders' equity | | | | | |
|--|-------------------------|-------------------------------------|----------------------------------|-----------------|-----------------------------------|-------------------------|
| | Retained earnings | | | | | |
| | Legal retained earnings | Other retained earnings | | | | Total retained earnings |
| | | Reserve for reduction entry of land | Reserve for special depreciation | General reserve | Retained earnings brought forward | |
| Balance at beginning of current period | 788 | 238 | 313 | 11,100 | 22,776 | 35,217 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | (1,040) | (1,040) |
| Profit | | | | | 1,710 | 1,710 |
| Provision of reserve for reduction entry of land | | | | | | |
| Provision of reserve for special depreciation | | | | | | |
| Reversal of reserve for special depreciation | | | (57) | | 57 | — |
| Purchase of treasury shares | | | | | | |
| Disposal of treasury shares | | | | | | |
| Net changes of items other than shareholders' equity | | | | | | |
| Total changes of items during period | | | (57) | | 727 | 670 |
| Balance at end of current period | 788 | 238 | 255 | 11,100 | 23,504 | 35,887 |

(Million yen)

| | Shareholders' equity | | Valuation and translation adjustments | | Subscription rights to shares | 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 | (864) | 52,067 | 1,368 | 1,368 | 53 | 53,489 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | (1,040) | | | | (1,040) |
| Profit | | 1,710 | | | | 1,710 |
| Provision of reserve for reduction entry of land | | | | | | |
| Provision of reserve for special depreciation | | | | | | |
| Reversal of reserve for special depreciation | | - | | | | - |
| Purchase of treasury shares | (4) | (4) | | | | (4) |
| Disposal of treasury shares | 13 | 24 | | | | 24 |
| Net changes of items other than shareholders' equity | | | 634 | 634 | 9 | 644 |
| Total changes of items during period | 9 | 690 | 634 | 634 | 9 | 1,335 |
| Balance at end of current period | (855) | 52,758 | 2,003 | 2,003 | 63 | 54,825 |