

Consolidated Financial Results for the Six Months Ended September 30, 2016 [Japanese GAAP]



October 27, 2016

Company name: Toyo Machinery & Metal Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6210
 URL: <http://www.toyo-mm.co.jp/>
 Representative: Kazunori Sogame, President and Representative Director
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 Scheduled date of filing quarterly securities report: November 14, 2016
 Scheduled date of commencing dividend payments: December 5, 2016
 Availability of supplementary briefing materials on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for analysts)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2016 (April 1, 2016 to September 30, 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	%
Six months ended September 30, 2016	13,275	0.8	723	(17.5)	645	(29.6)	352	(50.5)
Six months ended September 30, 2015	13,171	9.0	877	(2.2)	917	4.5	711	(6.8)

(Note) Comprehensive income: Six months ended September 30, 2016: ¥(1) million [−%]

Six months ended September 30, 2015: ¥763 million [(12.2%)]

	Profit per share		Diluted profit per share	
	Yen		Yen	
Six months ended September 30, 2016	18.73		-	
Six months ended September 30, 2015	34.53		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2016	24,244	13,745	56.0
As of March 31, 2016	24,528	13,934	56.1

(Reference) Equity: As of September 30, 2016: ¥13,584 million

As of March 31, 2016: ¥13,761 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2016	Yen -	Yen 5.00	Yen -	Yen 10.00	Yen 15.00
Fiscal year ending March 31, 2017	-	7.00			
Fiscal year ending March 31, 2017 (Forecast)			-	8.00	15.00

(Note) Revision to the most recent dividend forecast: No

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 corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	27,000	1.3	1,830	1.7	1,740	(4.0)	1,270	(31.8)	67.54

(Note) Revision to the most recent financial results forecast: No

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New companies: –

Excluded companies: –

Note: Above company is not in the category of specified subsidiaries. However, as we newly established TOYO MACHINERY & METAL (TAIWAN) CO., LTD. in this quarter, we included the company in the consolidated financial results for the three months ended September 30, 2016.

(2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: No

(3) 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

(4) Total number of issued shares (common shares)

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

September 30, 2016: 20,703,000 shares

March 31, 2016: 20,703,000 shares

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

September 30, 2016: 1,900,060 shares

March 31, 2016: 1,900,054 shares

3) Average number of shares during the period:

Six months ended September 30, 2016: 18,802,940 shares

Six months ended September 30, 2015: 20,613,422 shares

* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act are still in progress.

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

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions which the Company deems as reasonable, and do not constitute a guarantee that they will be achieved by the Company. Actual results may differ significantly from these forecasts due to a wide range of factors.

The amounts in each account title and other items on our quarterly consolidated financial statements have been expressed so far in a unit of “Thousand yen”; but we changed the unit to “Million yen” starting from the first quarter of the current consolidated fiscal year and the consolidated cumulative first quarter.

For your easy reference, financial statements for previous consolidated fiscal year and consolidated cumulative second quarter of last fiscal year are also re-expressed in the unit of “Million yen.”

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of September 30, 2016
Assets		
Current assets		
Cash and deposits	5,027	5,125
Notes and accounts receivable - trade	6,076	5,548
Electronically recorded monetary claims - operating	1,056	1,199
Merchandise and finished goods	2,812	2,834
Work in process	1,591	1,696
Raw materials and supplies	398	320
Deferred tax assets	328	291
Other	652	478
Allowance for doubtful accounts	(8)	(8)
Total current assets	17,935	17,486
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,929	3,352
Machinery, equipment and vehicles, net	1,447	1,417
Tools, furniture and fixtures, net	132	142
Land	799	799
Leased assets, net	10	8
Construction in progress	378	201
Total property, plant and equipment	5,697	5,921
Intangible assets	487	441
Investments and other assets		
Investment securities	201	181
Deferred tax assets	92	98
Net defined benefit asset	70	77
Other	42	36
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	407	394
Total non-current assets	6,592	6,758
Total assets	24,528	24,244

(Million yen)

	As of March 31, 2016	As of September 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,342	4,351
Current portion of long-term loans payable	400	500
Accrued expenses	671	651
Income taxes payable	201	155
Accrued consumption taxes	14	14
Provision for product warranties	136	142
Provision for directors' bonuses	27	16
Other	1,109	1,102
Total current liabilities	6,904	6,934
Non-current liabilities		
Long-term loans payable	1,350	1,100
Deferred tax liabilities	77	127
Net defined benefit liability	2,248	2,326
Other	14	10
Total non-current liabilities	3,689	3,565
Total liabilities	10,593	10,499
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,028	2,028
Retained earnings	9,783	9,947
Treasury shares	(783)	(783)
Total shareholders' equity	13,534	13,698
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	29
Deferred gains or losses on hedges	2	4
Foreign currency translation adjustment	274	(66)
Remeasurements of defined benefit plans	(93)	(82)
Total accumulated other comprehensive income	226	(114)
Non-controlling interests	173	160
Total net assets	13,934	13,745
Total liabilities and net assets	24,528	24,244

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Net sales	13,171	13,275
Cost of sales	9,807	10,064
Gross profit	3,363	3,210
Selling, general and administrative expenses	2,486	2,486
Operating income	877	723
Non-operating income		
Interest and dividend income	6	3
Rent income on non-current assets	35	35
Foreign exchange gains	10	-
Other	9	8
Total non-operating income	61	48
Non-operating expenses		
Interest expenses	2	2
Loss on sales of notes receivable - trade	1	1
Loss on retirement of non-current assets	10	5
Rent expenses on non-current assets	4	4
Foreign exchange losses	-	109
Other	2	2
Total non-operating expenses	21	125
Ordinary income	917	645
Extraordinary income		
Gain on sales of non-current assets	10	-
Gain on sales of investment securities	-	4
Total extraordinary income	10	4
Extraordinary losses		
Loss on retirement of non-current assets	26	52
Total extraordinary losses	26	52
Income before income taxes and minority interests	902	598
Income taxes - current	183	152
Income taxes - deferred	(5)	84
Total income taxes	177	237
Profit	725	360
Profit attributable to non-controlling interests	13	8
Profit attributable to owners of parent	711	352

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended September 30

(Million yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Profit	725	360
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(12)
Deferred gains or losses on hedges	-	2
Foreign currency translation adjustment	27	(362)
Remeasurements of defined benefit plans, net of tax	17	11
Total other comprehensive income	38	(362)
Comprehensive income	763	(1)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	752	11
Comprehensive income attributable to non-controlling interests	10	(12)