

Consolidated Financial Results
for the Nine Months Ended December 31, 2016
[Japanese GAAP]



January 26, 2017

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: February 14, 2017
 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing materials on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2016 (April 1, 2016 to December 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	%
Nine months ended December 31, 2016	20,514	1.9	1,361	0.2	1,299	(5.3)	788	(35.8)
December 31, 2015	20,123	8.4	1,358	(3.5)	1,371	(5.1)	1,228	(0.9)

(Note) Comprehensive income: Nine months ended December 31, 2016: ¥429 million [(63.3%)]

Nine months ended December 31, 2015: ¥1,171 million [(11.6%)]

	Profit per share		Diluted profit per share	
	Yen		Yen	
Nine months ended December 31, 2016	41.96		-	
December 31, 2015	59.60		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2016	24,392	14,044	56.9
As of March 31, 2016	24,528	13,934	56.1

(Reference) Equity: As of December 31, 2016: ¥13,880 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2016	-	5.00	-	10.00	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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	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 the second quarter, we included the company in the consolidated financial results for the Six 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):

December 31, 2016: 20,703,000 shares

March 31, 2016: 20,703,000 shares

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

December 31, 2016: 1,900,088 shares

March 31, 2016: 1,900,054 shares

3) Average number of shares during the period:

Nine months ended December 31, 2016: 18,802,937 shares

Nine months ended December 31, 2015: 20,613,402 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 third 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 December 31, 2016
Assets		
Current assets		
Cash and deposits	5,027	5,013
Notes and accounts receivable - trade	6,076	6,014
Electronically recorded monetary claims - operating	1,056	1,277
Merchandise and finished goods	2,812	2,640
Work in process	1,591	1,523
Raw materials and supplies	398	304
Deferred tax assets	328	174
Other	652	634
Allowance for doubtful accounts	(8)	(9)
Total current assets	17,935	17,575
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,929	3,305
Machinery, equipment and vehicles, net	1,447	1,351
Tools, furniture and fixtures, net	132	129
Land	799	799
Leased assets, net	10	7
Construction in progress	378	391
Total property, plant and equipment	5,697	5,984
Intangible assets	487	416
Investments and other assets		
Investment securities	201	202
Deferred tax assets	92	100
Net defined benefit asset	70	76
Other	42	36
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	407	416
Total non-current assets	6,592	6,817
Total assets	24,528	24,392

(Million yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,342	4,134
Current portion of long-term loans payable	400	500
Accrued expenses	671	462
Income taxes payable	201	86
Accrued consumption taxes	14	18
Provision for product warranties	136	144
Provision for directors' bonuses	27	24
Other	1,109	1,409
Total current liabilities	6,904	6,780
Non-current liabilities		
Long-term loans payable	1,350	1,025
Deferred tax liabilities	77	167
Net defined benefit liability	2,248	2,365
Other	14	9
Total non-current liabilities	3,689	3,567
Total liabilities	10,593	10,348
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,028	2,028
Retained earnings	9,783	10,252
Treasury shares	(783)	(783)
Total shareholders' equity	13,534	14,004
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42	59
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	274	(105)
Remeasurements of defined benefit plans	(93)	(76)
Total accumulated other comprehensive income	226	(123)
Non-controlling interests	173	163
Total net assets	13,934	14,044
Total liabilities and net assets	24,528	24,392

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Net sales	20,123	20,514
Cost of sales	15,080	15,483
Gross profit	5,042	5,031
Selling, general and administrative expenses	3,684	3,669
Operating income	1,358	1,361
Non-operating income		
Interest and dividend income	8	6
Rent income on non-current assets	53	53
Other	14	12
Total non-operating income	76	72
Non-operating expenses		
Interest expenses	3	3
Loss on sales of notes receivable - trade	2	5
Loss on retirement of non-current assets	12	6
Rent expenses on non-current assets	6	6
Foreign exchange losses	27	109
Other	12	3
Total non-operating expenses	62	134
Ordinary income	1,371	1,299
Extraordinary income		
Gain on sales of non-current assets	12	–
Gain on sales of investment securities	–	4
Total extraordinary income	12	4
Extraordinary losses		
Loss on retirement of non-current assets	49	52
Total extraordinary losses	49	52
Income before income taxes and minority interests	1,335	1,251
Income taxes - current	211	226
Income taxes - deferred	(121)	223
Total income taxes	90	450
Profit	1,245	801
Profit attributable to non-controlling interests	17	12
Profit attributable to owners of parent	1,228	788

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2015	For the nine months ended December 31, 2016
Profit	1,245	801
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	16
Deferred gains or losses on hedges	–	(2)
Foreign currency translation adjustment	(96)	(402)
Remeasurements of defined benefit plans, net of tax	25	16
Total other comprehensive income	(74)	(371)
Comprehensive income	1,171	429
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,171	439
Comprehensive income attributable to non-controlling interests	(0)	(9)