

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]



April 24, 2018

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  
 Contact: Kazumi Sunamoto, Director, General Manager of Administrative Division  
 Phone: +81-78-942-2345  
 Scheduled date of Annual General Meeting of Shareholders: June 22, 2018  
 Scheduled date of filing annual securities report: June 22, 2018  
 Scheduled date of commencing dividend payments: June 25, 2018  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes (for analysts)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	%
Fiscal year ended March 31, 2018	30,878	11.4	2,057	12.8	2,130	16.9	1,407	(6.5)
March 31, 2017	27,707	3.9	1,823	1.3	1,822	0.5	1,505	(19.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥1,552 million [14.1%]

Fiscal year ended March 31, 2017: ¥1,361 million [(21.6%)]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	74.86	-	9.2	7.9	6.7
March 31, 2017	80.06	-	10.5	7.2	6.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: – million

Fiscal year ended March 31, 2017: – million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	27,813	16,152	57.3	846.99
As of March 31, 2017	26,264	14,976	56.3	786.57

(Reference) Equity: As of March 31, 2018: ¥15,925 million

As of March 31, 2017: ¥14,789 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	924	(1,544)	(281)	4,460
March 31, 2017	2,378	(1,313)	(724)	5,319

## 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			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	7.00	-	10.00	17.00	319	21.2	2.2
March 31, 2018	-	10.00	-	15.00	25.00	470	33.4	3.0
Fiscal year ending March 31, 2019 (Forecast)	-	10.00	-	15.00	25.00		30.1	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	15,500	0.7	1,150	24.4	1,150	21.8	750	23.2	39.89
Full year	32,000	3.6	2,400	16.7	2,400	12.7	1,560	10.8	82.97

### \* 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: –
- (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 shares)
  - 1) Total number of issued shares at the end of the period (including treasury shares):  
March 31, 2018: 20,703,000 shares  
March 31, 2017: 20,703,000 shares
  - 2) Total number of treasury shares at the end of the period:  
March 31, 2018: 1,900,380 shares  
March 31, 2017: 1,900,168 shares
  - 3) Average number of shares during the period:  
Fiscal Year ended March 31, 2018: 18,802,705 shares  
Fiscal Year ended March 31, 2017: 18,802,913 shares

(Reference) Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)**

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

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2018	27,861	8.3	1,110	(2.9)	1,648	22.2	1,235	2.5
March 31, 2017	25,718	4.7	1,143	16.6	1,349	21.9	1,205	(19.3)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2018	65.69		-	
March 31, 2017	64.10		-	

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	24,464	12,890	52.7	685.59
As of March 31, 2017	23,260	12,025	51.7	639.58

(Reference) Equity: As of March 31, 2018: ¥12,890 million

As of March 31, 2017: ¥12,025 million

\* This Consolidated Financial Results is not subject to auditing performed by certified public accountant or audit firm.

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

(Notice about forward-looking statements)

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.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	5,319	4,460
Notes and accounts receivable - trade	5,649	7,323
Electronically recorded monetary claims - operating	1,493	1,270
Merchandise and finished goods	2,811	2,769
Work in process	1,797	2,509
Raw materials and supplies	329	422
Deferred tax assets	262	290
Other	881	1,205
Allowance for doubtful accounts	(8)	(14)
Total current assets	18,536	20,236
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,337	3,876
Machinery, equipment and vehicles, net	1,550	1,799
Tools, furniture and fixtures, net	117	109
Land	799	780
Leased assets, net	5	7
Construction in progress	900	0
Total property, plant and equipment	6,711	6,573
Intangible assets	412	384
Investments and other assets		
Investment securities	199	202
Deferred tax assets	292	280
Net defined benefit asset	76	99
Other	34	37
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	603	619
Total non-current assets	7,727	7,576
<b>Total assets</b>	<b>26,264</b>	<b>27,813</b>

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,205	4,050
Electronically recorded obligations - operating	313	1,117
Short-term loans payable	–	600
Current portion of long-term loans payable	500	350
Accrued expenses	676	713
Income taxes payable	342	441
Accrued consumption taxes	19	18
Provision for product warranties	142	146
Provision for directors' bonuses	32	41
Other	1,780	1,173
Total current liabilities	8,011	8,654
Non-current liabilities		
Long-term loans payable	850	500
Net defined benefit liability	2,417	2,495
Other	8	11
Total non-current liabilities	3,276	3,007
Total liabilities	11,287	11,661
Net assets		
Shareholders' equity		
Capital stock	2,506	2,506
Capital surplus	2,028	2,028
Retained earnings	10,968	12,000
Treasury shares	(783)	(783)
Total shareholders' equity	14,720	15,751
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56	62
Deferred gains or losses on hedges	0	–
Foreign currency translation adjustment	92	170
Remeasurements of defined benefit plans	(80)	(59)
Total accumulated other comprehensive income	69	173
Non-controlling interests	186	227
Total net assets	14,976	16,152
Total liabilities and net assets	26,264	27,813

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	27,707	30,878
Cost of sales	20,900	23,545
Gross profit	6,807	7,332
Selling, general and administrative expenses	4,983	5,274
Operating income	1,823	2,057
Non-operating income		
Interest and dividend income	10	14
Rent income on non-current assets	70	67
Other	18	28
Total non-operating income	99	111
Non-operating expenses		
Interest expenses	4	1
Loss on sales of notes receivable - trade	6	2
Loss on retirement of non-current assets	7	9
Rent expenses on non-current assets	8	8
Commission fee	1	1
Foreign exchange losses	66	10
Other	7	5
Total non-operating expenses	101	38
Ordinary income	1,822	2,130
Extraordinary income		
Gain on sales of non-current assets	–	56
Gain on sales of investment securities	4	3
Total extraordinary income	4	59
Extraordinary losses		
Loss on retirement of non-current assets	52	–
Total extraordinary losses	52	–
Profit before income taxes	1,775	2,189
Income taxes - current	471	779
Income taxes - deferred	(220)	(25)
Total income taxes	251	753
Profit	1,523	1,436
Profit attributable to non-controlling interests	18	28
Profit attributable to owners of parent	1,505	1,407

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	1,523	1,436
Other comprehensive income		
Valuation difference on available-for-sale securities	13	6
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(187)	89
Remeasurements of defined benefit plans, net of tax	13	20
Total other comprehensive income	(162)	(116)
Comprehensive income	1,361	1,552
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,348	1,512
Comprehensive income attributable to non-controlling interests	13	40

(3) Consolidated Statement of Changes in Equity  
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	2,506	2,028	9,783	(783)	13,534
Changes of items during period					
Dividends of surplus			(319)		(319)
Profit attributable to owners of parent			1,505		1,505
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,185	(0)	1,185
Balance at end of current period	2,506	2,028	10,968	(783)	14,720

	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	42	2	274	(93)	226	173	13,934
Changes of items during period							
Dividends of surplus							(319)
Profit attributable to owners of parent							1,505
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	13	(2)	(182)	13	(157)	13	(144)
Total changes of items during period	13	(2)	(182)	13	(157)	13	1,041
Balance at end of current period	56	0	92	(80)	69	186	14,976



For the fiscal year ended March 31, 2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,506	2,028	10,968	(783)	14,720
Changes of items during period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			1,407		1,407
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,031	(0)	1,031
Balance at end of current period	2,506	2,028	12,000	(783)	15,751

	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	56	0	92	(80)	69	186	14,976
Changes of items during period							
Dividends of surplus							(376)
Profit attributable to owners of parent							1,407
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	6	(0)	77	20	104	40	145
Total changes of items during period	6	(0)	77	20	104	40	1,176
Balance at end of current period	62	-	170	(59)	173	227	16,152

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,775	2,189
Depreciation	748	855
Increase (decrease) in allowance for doubtful accounts	(0)	5
Increase (decrease) in provision for directors' bonuses	4	9
Increase (decrease) in provision for product warranties	5	4
Increase (decrease) in net defined benefit liability	169	84
Interest and dividend income	(10)	(14)
Interest expenses	4	1
Foreign exchange losses (gains)	0	4
Loss on retirement of non-current assets	60	9
Loss (gain) on sales of non-current assets	(0)	(56)
Loss (gain) on sales of investment securities	(4)	(3)
Decrease (increase) in notes and accounts receivable - trade	(44)	(1,433)
Decrease (increase) in inventories	(245)	(741)
Increase (decrease) in notes and accounts payable - trade	242	628
Increase (decrease) in accrued consumption taxes	4	(0)
Decrease (increase) in consumption taxes refund receivable	(34)	(22)
Other, net	58	59
Subtotal	2,732	1,579
Interest and dividend income received	10	14
Interest expenses paid	(4)	(1)
Income taxes paid	(359)	(667)
Net cash provided by (used in) operating activities	2,378	924
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,252)	(1,592)
Purchase of intangible assets	(39)	(38)
Payments for retirement of property, plant and equipment	(48)	(1)
Proceeds from sales of non-current assets	0	80
Proceeds from sales of investment securities	26	9
Net cash provided by (used in) investing activities	(1,313)	(1,544)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	-	600
Repayments of long-term loans payable	(400)	(500)
Cash dividends paid	(319)	(376)
Purchase of treasury shares	(0)	(0)
Other, net	(5)	(5)
Net cash provided by (used in) financing activities	(724)	(281)
Effect of exchange rate change on cash and cash equivalents	(48)	41
Net increase (decrease) in cash and cash equivalents	292	(859)
Cash and cash equivalents at beginning of period	5,027	5,319
Cash and cash equivalents at end of period	5,319	4,460