

Consolidated Financial Results for the Nine Months Ended December 31, 2015 [Japanese GAAP]



January 27, 2016

Company name: Toyo Machinery & Metal Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6210
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 Scheduled date of filing quarterly securities report: February 12, 2016
 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, 2015 (April 1, 2015 to December 31, 2015)

(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, 2015	20,123	8.4	1,358	(3.5)	1,371	(5.1)	1,228	(0.9)
December 31, 2014	18,557	8.4	1,408	7.9	1,444	(9.6)	1,240	(6.8)

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

Nine months ended December 31, 2014: ¥1,324 million [(15.1%)]

	Profit per share		Diluted profit per share	
	Yen		Yen	
Nine months ended December 31, 2015	59.60		-	
December 31, 2014	60.16		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2015	24,644	14,105	56.6
As of March 31, 2015	23,368	13,160	55.6

(Reference) Equity: As of December 31, 2015: ¥13,937 million

As of March 31, 2015: ¥12,992 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, 2015	-	4.00	-	6.00	10.00
Fiscal year ending March 31, 2016	-	5.00	-	-	-
Fiscal year ending March 31, 2016 (Forecast)	-	-	-	-	-

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% 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	26,100	0.4	1,670	(11.4)	1,700	(14.9)	1,450	(11.1)	70.34

(Note) Revision to the most recent financial results forecast: Yes

* 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) 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, 2015: 20,703,000 shares

March 31, 2015: 20,703,000 shares

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

December 31, 2015: 89,659 shares

March 31, 2015: 89,393 shares

3) Average number of shares during the period:

Nine months ended December 31, 2015: 20,613,402 shares

Nine months ended December 31, 2014: 20,613,821 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 dividend forecast for the fiscal year ending March 2016 is yet to be determined, and thus not disclosed at this time, as we are currently examining the status of our operations and results. We will announce the dividend forecast promptly as soon as its disclosure becomes possible.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	5,430,474	6,200,215
Notes and accounts receivable - trade	6,120,649	5,762,914
Electronically recorded monetary claims - operating	993,620	1,040,911
Merchandise and finished goods	2,401,026	2,598,368
Work in process	1,879,377	1,549,582
Raw materials and supplies	507,182	434,936
Deferred tax assets	39,724	149,802
Other	733,013	535,272
Allowance for doubtful accounts	(9,554)	(9,105)
Total current assets	18,095,515	18,262,898
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,399,577	2,980,437
Machinery, equipment and vehicles, net	750,399	1,395,941
Tools, furniture and fixtures, net	164,118	145,433
Land	804,581	799,322
Leased assets, net	15,605	11,940
Construction in progress	264,783	123,712
Total property, plant and equipment	4,399,066	5,456,787
Intangible assets	428,670	465,103
Investments and other assets		
Investment securities	240,238	235,875
Deferred tax assets	83,310	89,946
Net defined benefit asset	75,164	91,436
Other	47,194	42,879
Allowance for doubtful accounts	(183)	(131)
Total investments and other assets	445,724	460,006
Total non-current assets	5,273,461	6,381,898
Total assets	23,368,976	24,644,796

(Thousand yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,399,520	4,368,408
Current portion of long-term loans payable	300,000	300,000
Accrued expenses	626,728	459,045
Income taxes payable	98,629	68,277
Accrued consumption taxes	48,166	16,558
Deferred tax liabilities	1,748	760
Provision for product warranties	112,021	119,685
Provision for directors' bonuses	30,760	26,435
Other	1,383,729	1,154,453
Total current liabilities	7,001,304	6,513,624
Non-current liabilities		
Long-term loans payable	750,000	1,525,000
Deferred tax liabilities	295,221	296,811
Net defined benefit liability	2,141,931	2,188,697
Other	19,663	15,368
Total non-current liabilities	3,206,816	4,025,876
Total liabilities	10,208,120	10,539,501
Net assets		
Shareholders' equity		
Capital stock	2,506,512	2,506,512
Capital surplus	2,028,834	2,028,834
Retained earnings	8,146,749	9,148,550
Treasury shares	(48,558)	(48,702)
Total shareholders' equity	12,633,538	13,635,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,952	66,000
Foreign currency translation adjustment	409,408	329,951
Remeasurements of defined benefit plans	(119,557)	(94,011)
Total accumulated other comprehensive income	358,802	301,940
Non-controlling interests	168,514	168,159
Total net assets	13,160,855	14,105,295
Total liabilities and net assets	23,368,976	24,644,796

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

(Thousand yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Net sales	18,557,997	20,123,195
Cost of sales	13,621,247	15,080,389
Gross profit	4,936,749	5,042,805
Selling, general and administrative expenses	3,528,224	3,684,044
Operating income	1,408,525	1,358,761
Non-operating income		
Interest and dividend income	6,384	8,277
Rent income on non-current assets	53,363	53,363
Foreign exchange gains	13,736	-
Other	15,209	14,475
Total non-operating income	88,693	76,115
Non-operating expenses		
Interest expenses	6,357	3,389
Loss on sales of notes payable	4,602	2,343
Loss on retirement of non-current assets	28,921	12,041
Rent expenses on non-current assets	6,120	6,099
Commission fee	1,857	9,554
Foreign exchange losses	-	27,003
Other	4,382	2,483
Total non-operating expenses	52,242	62,915
Ordinary income	1,444,977	1,371,961
Extraordinary income		
Gain on sales of non-current assets	-	12,889
Total extraordinary income	-	12,889
Extraordinary losses		
Loss on retirement of non-current assets	-	49,191
Total extraordinary losses	-	49,191
Income before income taxes and minority interests	1,444,977	1,335,660
Income taxes - current	180,806	211,633
Income taxes - deferred	16,242	(121,615)
Total income taxes	197,049	90,017
Profit	1,247,927	1,245,642
Profit attributable to non-controlling interests	7,729	17,092
Profit attributable to owners of parent	1,240,198	1,228,549

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2014	For the nine months ended December 31, 2015
Profit	1,247,927	1,245,642
Other comprehensive income		
Valuation difference on available-for-sale securities	2,261	(2,951)
Foreign currency translation adjustment	51,751	(96,905)
Remeasurements of defined benefit plans, net of tax	22,382	25,546
Total other comprehensive income	76,395	(74,310)
Comprehensive income	1,324,323	1,171,332
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,308,635	1,171,687
Comprehensive income attributable to non-controlling interests	15,687	(355)