

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



April 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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 Phone: +81-78-942-2345  
 Scheduled date of Annual General Meeting of Shareholders: June 23, 2017  
 Scheduled date of filing annual securities report: June 23, 2017  
 Scheduled date of commencing dividend payments: June 26, 2017  
 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, 2017 (April 1, 2016 to March 31, 2017)

(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, 2017	27,707	3.9	1,823	1.3	1,822	0.5	1,505	(19.2)
March 31, 2016	26,664	2.5	1,800	(4.5)	1,813	(9.2)	1,863	14.2

(Note) Comprehensive income: Fiscal year ended March 31, 2017: ¥1,361 million [(21.6%)]  
 Fiscal year ended March 31, 2016: ¥1,735 million [(17.6%)]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	80.06	-	10.5	7.2	6.6
March 31, 2016	92.26	-	13.9	7.6	6.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2017: – million  
 Fiscal year ended March 31, 2016: – million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	26,264	14,976	56.3	786.57
As of March 31, 2016	24,528	13,934	56.1	731.87

(Reference) Equity: As of March 31, 2017: ¥14,789 million  
 As of March 31, 2016: ¥13,761 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	2,378	(1,313)	(724)	5,319
March 31, 2016	1,905	(1,983)	(267)	5,027

## 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, 2016	-	5.00	-	10.00	15.00	291	16.3	2.2
March 31, 2017	-	7.00	-	10.00	17.00	319	21.2	2.2
Fiscal year ending March 31, 2018 (Forecast)	-	10.00	-	15.00	25.00		30.1	

## 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 income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	14,500	9.2	1,100	52.0	1,100	70.3	715	103.0	38.03
Full year	30,000	8.3	2,400	31.6	2,400	31.7	1,560	3.6	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: –

Note: Above company is not in the category of specified subsidiaries as of March 31, 2017. However, as we newly established TOYO MACHINERY & METAL (TAIWAN) CO., LTD. in this fiscal year, we included the company in the consolidated financial results for this fiscal year.

(2) 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

(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, 2017: 20,703,000 shares

March 31, 2016: 20,703,000 shares

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

March 31, 2017: 1,900,168 shares

March 31, 2016: 1,900,054 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2017: 18,802,913 shares

Fiscal Year ended March 31, 2016: 20,195,608 shares

(Reference) Summary of Non-consolidated Financial Results

**1. 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 income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2017	25,718	4.7	1,143	16.6	1,349	21.9	1,205	(19.3)
March 31, 2016	24,568	6.5	980	(13.7)	1,106	(13.7)	1,492	28.4

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2017	64.10		-	
March 31, 2016	73.91		-	

(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	23,260	12,025	51.7	639.58
As of March 31, 2016	21,414	11,128	52.0	591.85

(Reference) Equity: As of March 31, 2017: ¥12,025 million

As of March 31, 2016: ¥11,128 million

\* This Consolidated Financial Results is exempt from auditing.

\* 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.

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

For your easy reference, financial statements for the previous consolidated fiscal year is also re-expressed in the unit of “Million yen.”

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

(Million yen)

	As of March 31, 2016	As of March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	5,027	5,319
Notes and accounts receivable - trade	6,076	5,649
Electronically recorded monetary claims - operating	1,056	1,493
Merchandise and finished goods	2,812	2,811
Work in process	1,591	1,797
Raw materials and supplies	398	329
Deferred tax assets	328	262
Other	652	881
Allowance for doubtful accounts	(8)	(8)
Total current assets	17,935	18,536
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,929	3,337
Machinery, equipment and vehicles, net	1,447	1,550
Tools, furniture and fixtures, net	132	117
Land	799	799
Leased assets, net	10	5
Construction in progress	378	900
Total property, plant and equipment	5,697	6,711
Intangible assets	487	412
Investments and other assets		
Investment securities	201	199
Deferred tax assets	92	292
Net defined benefit asset	70	76
Other	42	34
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	407	603
Total non-current assets	6,592	7,727
<b>Total assets</b>	<b>24,528</b>	<b>26,264</b>

(Million yen)

	As of March 31, 2016	As of March 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,342	4,205
Electronically recorded obligations - operating	–	313
Current portion of long-term loans payable	400	500
Accrued expenses	671	676
Income taxes payable	201	342
Accrued consumption taxes	14	19
Provision for product warranties	136	142
Provision for directors' bonuses	27	32
Other	1,109	1,780
<b>Total current liabilities</b>	<b>6,904</b>	<b>8,011</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,350	850
Deferred tax liabilities	77	–
Net defined benefit liability	2,248	2,417
Other	14	8
<b>Total non-current liabilities</b>	<b>3,689</b>	<b>3,276</b>
<b>Total liabilities</b>	<b>10,593</b>	<b>11,287</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,506	2,506
Capital surplus	2,028	2,028
Retained earnings	9,783	10,968
Treasury shares	(783)	(783)
<b>Total shareholders' equity</b>	<b>13,534</b>	<b>14,720</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	42	56
Deferred gains or losses on hedges	2	0
Foreign currency translation adjustment	274	92
Remeasurements of defined benefit plans	(93)	(80)
<b>Total accumulated other comprehensive income</b>	<b>226</b>	<b>69</b>
<b>Non-controlling interests</b>	<b>173</b>	<b>186</b>
<b>Total net assets</b>	<b>13,934</b>	<b>14,976</b>
<b>Total liabilities and net assets</b>	<b>24,528</b>	<b>26,264</b>

(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	26,664	27,707
Cost of sales	19,941	20,900
Gross profit	6,723	6,807
Selling, general and administrative expenses	4,922	4,983
Operating income	1,800	1,823
Non-operating income		
Interest and dividend income	12	10
Rent income on non-current assets	71	70
Other	21	18
Total non-operating income	105	99
Non-operating expenses		
Interest expenses	4	4
Loss on sales of notes receivable - trade	2	6
Loss on retirement of non-current assets	13	7
Rent expenses on non-current assets	8	8
Commission fee	10	1
Foreign exchange losses	44	66
Other	10	7
Total non-operating expenses	92	101
Ordinary income	1,813	1,822
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
Profit before income taxes	1,776	1,775
Income taxes - current	338	471
Income taxes - deferred	(444)	(220)
Total income taxes	(106)	251
Profit	1,882	1,523
Profit attributable to non-controlling interests	19	18
Profit attributable to owners of parent	1,863	1,505

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Profit	1,882	1,523
Other comprehensive income		
Valuation difference on available-for-sale securities	(26)	13
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	(149)	(187)
Remeasurements of defined benefit plans, net of tax	26	13
Total other comprehensive income	(147)	(162)
Comprehensive income	1,735	1,361
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,730	1,348
Comprehensive income attributable to non-controlling interests	4	13

(3) Consolidated Statement of Changes in Equity  
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	2,506	2,028	8,146	(48)	12,633
Changes of items during period					
Dividends of surplus			(226)		(226)
Profit attributable to owners of parent			1,863		1,863
Purchase of treasury shares				(735)	(735)
Disposal of treasury shares				0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,636	(735)	901
Balance at end of current period	2,506	2,028	9,783	(783)	13,534

	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	68	—	409	(119)	358	168	13,160
Changes of items during period							
Dividends of surplus							(226)
Profit attributable to owners of parent							1,863
Purchase of treasury shares							(735)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	(26)	2	(134)	26	(132)	4	(127)
Total changes of items during period	(26)	2	(134)	26	(132)	4	773
Balance at end of current period	42	2	274	(93)	226	173	13,934



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)
Disposal of treasury shares					—
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)
Disposal of treasury shares							—
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

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,776	1,775
Depreciation	655	748
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for directors' bonuses	(2)	4
Increase (decrease) in provision for product warranties	24	5
Increase (decrease) in net defined benefit liability	53	169
Interest and dividend income	(12)	(10)
Interest expenses	4	4
Foreign exchange losses (gains)	(4)	0
Loss on retirement of non-current assets	63	60
Loss (gain) on sales of non-current assets	(12)	(0)
Loss (gain) on sales of investment securities	-	(4)
Decrease (increase) in notes and accounts receivable - trade	(51)	(44)
Decrease (increase) in inventories	(139)	(245)
Increase (decrease) in notes and accounts payable - trade	(5)	242
Increase (decrease) in accrued consumption taxes	(33)	4
Decrease (increase) in consumption taxes refund receivable	24	(34)
Other, net	(198)	58
Subtotal	2,139	2,732
Interest and dividend income received	12	10
Interest expenses paid	(4)	(4)
Income taxes paid	(243)	(359)
Net cash provided by (used in) operating activities	1,905	2,378
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,776)	(1,252)
Purchase of intangible assets	(201)	(39)
Payments for retirement of property, plant and equipment	(24)	(48)
Proceeds from sales of non-current assets	18	0
Proceeds from sales of investment securities	-	26
Net cash provided by (used in) investing activities	(1,983)	(1,313)
<b>Cash flows from financing activities</b>		
Proceeds from long-term loans payable	1,000	-
Repayments of long-term loans payable	(300)	(400)
Cash dividends paid	(226)	(319)
Purchase of treasury shares	(735)	(0)
Other, net	(5)	(5)
Net cash provided by (used in) financing activities	(267)	(724)
Effect of exchange rate change on cash and cash equivalents	(57)	(48)
Net increase (decrease) in cash and cash equivalents	(402)	292
Cash and cash equivalents at beginning of period	5,430	5,027
Cash and cash equivalents at end of period	5,027	5,319