

Consolidated Financial Results for the Three Months Ended June 30, 2017 [Japanese GAAP]



July 27, 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
 Contact: Kazumi Sunamoto, Director, General Manager of Administrative Division
 Phone: +81-78-942-2345
 Scheduled date of filing quarterly securities report: August 10, 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 Three Months Ended June 30, 2017 (April 1, 2017 to June 30, 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 | % |
| Three months ended June 30, 2017 | 7,598 | 28.4 | 420 | 77.8 | 419 | 105.9 | 273 | 350.8 |
| June 30, 2016 | 5,917 | 5.6 | 236 | (35.0) | 203 | (46.6) | 60 | (79.3) |

(Note) Comprehensive income: Three months ended June 30, 2017: ¥244 million [—%]
 Three months ended June 30, 2016: (¥59) million [—%]

| | Profit per share | Diluted profit per share |
|----------------------------------|------------------|--------------------------|
| | Yen | Yen |
| Three months ended June 30, 2017 | 14.54 | - |
| June 30, 2016 | 3.23 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|----------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of June 30, 2017 | 25,774 | 15,032 | 57.6 |
| As of March 31, 2017 | 26,264 | 14,976 | 56.3 |

(Reference) Equity: As of June 30, 2017: ¥14,834 million
 As of March 31, 2017: ¥14,789 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, 2017 | - | 7.00 | - | 10.00 | 17.00 |
| Fiscal year ending March 31, 2018 | - | | | | |
| Fiscal year ending March 31, 2018 (Forecast) | | 10.00 | - | 15.00 | 25.00 |

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

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 | | Profit 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 |

(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: –

(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: No

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):

June 30, 2017: 20,703,000 shares

March 31, 2017: 20,703,000 shares

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

June 30, 2017: 1,900,260 shares

March 31, 2017: 1,900,168 shares

3) Average number of shares during the period:

Three months ended June 30, 2017: 18,802,809 shares

Three months ended June 30, 2016: 18,802,941 shares

* This Consolidated Financial Results is exempt from auditing.

* 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.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|---|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,319 | 5,277 |
| Notes and accounts receivable - trade | 5,649 | 6,269 |
| Electronically recorded monetary claims - operating | 1,493 | 921 |
| Merchandise and finished goods | 2,811 | 2,566 |
| Work in process | 1,797 | 1,924 |
| Raw materials and supplies | 329 | 342 |
| Deferred tax assets | 262 | 172 |
| Other | 881 | 617 |
| Allowance for doubtful accounts | (8) | (8) |
| Total current assets | 18,536 | 18,084 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,337 | 3,987 |
| Machinery, equipment and vehicles, net | 1,550 | 1,722 |
| Tools, furniture and fixtures, net | 117 | 130 |
| Land | 799 | 799 |
| Leased assets, net | 5 | 4 |
| Construction in progress | 900 | 35 |
| Total property, plant and equipment | 6,711 | 6,679 |
| Intangible assets | 412 | 399 |
| Investments and other assets | | |
| Investment securities | 199 | 205 |
| Deferred tax assets | 292 | 295 |
| Net defined benefit asset | 76 | 75 |
| Other | 34 | 33 |
| Allowance for doubtful accounts | (0) | (0) |
| Total investments and other assets | 603 | 610 |
| Total non-current assets | 7,727 | 7,689 |
| Total assets | 26,264 | 25,774 |

(Million yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 4,205 | 3,693 |
| Electronically recorded obligations - operating | 313 | 1,052 |
| Current portion of long-term loans payable | 500 | 500 |
| Accrued expenses | 676 | 480 |
| Income taxes payable | 342 | 25 |
| Accrued consumption taxes | 19 | 21 |
| Provision for product warranties | 142 | 144 |
| Provision for directors' bonuses | 32 | 12 |
| Other | 1,780 | 1,597 |
| Total current liabilities | 8,011 | 7,529 |
| Non-current liabilities | | |
| Long-term loans payable | 850 | 775 |
| Net defined benefit liability | 2,417 | 2,429 |
| Other | 8 | 7 |
| Total non-current liabilities | 3,276 | 3,212 |
| Total liabilities | 11,287 | 10,741 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,506 | 2,506 |
| Capital surplus | 2,028 | 2,028 |
| Retained earnings | 10,968 | 11,054 |
| Treasury shares | (783) | (783) |
| Total shareholders' equity | 14,720 | 14,805 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 56 | 60 |
| Deferred gains or losses on hedges | 0 | (0) |
| Foreign currency translation adjustment | 92 | 42 |
| Remeasurements of defined benefit plans | (80) | (74) |
| Total accumulated other comprehensive income | 69 | 28 |
| Non-controlling interests | 186 | 198 |
| Total net assets | 14,976 | 15,032 |
| Total liabilities and net assets | 26,264 | 25,774 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

| | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
|---|---|---|
| Net sales | 5,917 | 7,598 |
| Cost of sales | 4,480 | 5,903 |
| Gross profit | 1,437 | 1,694 |
| Selling, general and administrative expenses | 1,200 | 1,274 |
| Operating income | 236 | 420 |
| Non-operating income | | |
| Interest and dividend income | 2 | 4 |
| Rent income on non-current assets | 17 | 16 |
| Other | 4 | 4 |
| Total non-operating income | 24 | 26 |
| Non-operating expenses | | |
| Interest expenses | 1 | 0 |
| Foreign exchange losses | 47 | 22 |
| Other | 8 | 4 |
| Total non-operating expenses | 57 | 27 |
| Ordinary income | 203 | 419 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 52 | — |
| Total extraordinary losses | 52 | — |
| Income before income taxes and minority interests | 151 | 419 |
| Income taxes - current | 18 | 51 |
| Income taxes - deferred | 67 | 83 |
| Total income taxes | 85 | 135 |
| Profit | 65 | 283 |
| Profit attributable to non-controlling interests | 4 | 10 |
| Profit attributable to owners of parent | 60 | 273 |

Quarterly Consolidated Statements of Comprehensive Income
 Three Months Ended June 30

(Million yen)

| | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
|--|---|---|
| Profit | 65 | 283 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (16) | 4 |
| Deferred gains or losses on hedges | 2 | (0) |
| Foreign currency translation adjustment | (116) | (48) |
| Remeasurements of defined benefit plans, net of tax | 5 | 5 |
| Total other comprehensive income | (125) | (39) |
| Comprehensive income | (59) | 244 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (57) | 232 |
| Comprehensive income attributable to non-controlling interests | (2) | 11 |