

RESULTS OF OPERATIONS FOR
THE YEAR ENDED MARCH 31, 2017 (CONSOLIDATED)
(Japanese GAAP)

May 11, 2017

Listed company name: Torishima Pump Mfg. Co. Ltd.
 Stock exchange listings: First Section of Tokyo Stock Exchange
 Code number: 6363 URL: <http://www.torishima.co.jp/en>
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 Scheduled date of general shareholders' meeting: June 29, 2017
 Scheduled date of starting dividend payment: June 7, 2017
 Scheduled date of filing financial statements: June 29, 2017
 Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting: Yes (for investment analysts and institutional investors)

Note: The amounts are rounded down to the nearest million.

1. Consolidated financial results of Fiscal 2016 (April 1, 2016 to March 31, 2017)

(1) Operating results % of change from previous year

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2016	44,414	9.7	1,462	291.9	1,871	-	1,532	-
FY 2015	40,479	-13.0	373	-6.8	-1,663	-	-2,422	-

Note: Comprehensive income FY2016 ¥ 1,747 million (-%) FY2015 ¥ -2,990 million (-%)

	Net income per share – Basic	Net income per share – Diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY 2016	56.15	55.91	4.7	2.8	3.3
FY 2015	-88.13	-	-7.1	-2.4	0.9

Reference: Equity in earnings of affiliates FY2016 ¥ -17 million FY2015 ¥ -1,076million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2016	67,719	33,713	48.9	1,221.94
FY 2015	66,198	32,794	48.7	1,179.57

Reference: Shareholders' equity FY2016 ¥ 33,124 million FY2015 ¥ 32,211 million

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents (Year-end)
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2016	6,496	1,376	-4,140	10,871
FY 2015	5,000	-415	-1,624	7,175

2. Dividends

	Dividends per share					Dividends total (Annual)	Dividend payout ratio (Consolidated)	Dividends to net assets (Consolidated)
	1Q End	2Q End	3Q End	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
FY 2015	-	9.00	-	9.00	18.00	495	-	1.4
FY 2016	-	9.00	-	9.00	18.00	491	32.1	1.5
FY 2017 (Forecast)	-	9.00	-	9.00	18.00		27.1	

3. Forecast for the Fiscal 2017 (April 1, 2017 to March 31, 2017) % of change from same period last year

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Annual	44,500	0.2	2,000	36.7	2,500	33.6	1,800	17.4	66.40

The company tracks business results on an annual basis and therefore will not disclose consolidated forecast for the first half of the fiscal year.

4. Others

(1) Changes in significant subsidiaries during this fiscal year: No

New: - Excluded: -

(2) Changes in accounting policies applied, procedures and disclosures for presenting consolidated financial statements

- ① Changes of accounting policies applied due to revisions of accounting standards: Yes
- ② Changes of accounting policies other than the above: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatement: No

(3) Number of shares outstanding (Common stock)

- ① Number of shares outstanding at period end (including treasury stock)
(FY 2016) 29,889,079 (FY 2015) 29,889,079
- ② Number of treasury stocks at period end
(FY 2016) 2,781,139 (FY 2015) 2,581,068
- ③ Weighed-average number of shares outstanding over the period
(FY 2016) 27,291,908 (FY 2015) 27,479,485

Note: Treasury stock at period end includes 201,700 shares of treasury stock which the ESOP (Employee Stock Ownership Plan) trust holds.

Reference: Unconsolidated financial results of Fiscal 2016 (April 1, 2016 to March 31, 2017)

(1) Operating results % of change from previous year

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2016	36,130	15.3	295	-	-1,407	-	301	-
FY 2015	31,329	-14.6	-1,077	-	-1,385	-	-2,882	-

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY 2016	11.03	10.99
FY 2015	-104.90	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2016	58,122	27,769	47.6	1,020.00
FY 2015	57,057	27,375	47.8	998.80

Reference: Shareholders' equity FY 2016 ¥ 27,650 million FY 2015 ¥ 27,275 million

* These financial results are not subject to audit procedures.

* Explanations for adequate utilization of the forecast, and other note

Forecast shown above is prepared based on information available as of the issuing date of this report and assumptions that we consider as reasonable, and therefore the actual results may differ from these forecasted figures due to various unknown factors.

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1. Operations results

(1) Analysis of operations results

- Orders received, sales and orders backlog by demand category

FY2016

(Millions of yen)

	Orders received		Net sales		Orders backlog	
Domestic public	15,913	36.6%	13,832	31.2%	14,788	30.5%
Domestic private	7,973	18.3%	8,320	18.7%	5,251	10.8%
Overseas	19,595	45.1%	22,261	50.1%	28,436	58.7%
Total	43,483	100.0%	44,414	100.0%	48,476	100.0%

FY2015

(Millions of yen)

	Orders received		Net sales		Orders backlog	
Domestic public	16,013	31.2%	9,980	24.7%	12,707	25.7%
Domestic private	8,396	16.4%	7,078	17.5%	5,598	11.3%
Overseas	26,895	52.4%	23,419	57.8%	31,101	63.0%
Total	51,304	100.0%	40,479	100.0%	49,407	100.0%

Operating income on a consolidated basis in FY2016 amounted to ¥1,462 million (operating income in the previous fiscal year amounted to ¥373 million) as orders received increased and gross profit margin improved.

Ordinary income amounted to ¥1,871 million (ordinary loss in the previous fiscal year amounted to ¥1,663 million) influenced by foreign exchange gains of ¥126 million as non-operating income.

Net income attributable to owners of parent was ¥1,532 million (net loss attributable to owners of parent in the previous fiscal year was ¥2,422 million) influenced by gain on sales of shares of subsidiaries and associates of ¥168 million as extraordinary income and loss on valuation of investment securities of ¥103 million as extraordinary loss.

- Forecast for FY2017 and medium-term business plan

FY2016 was the last year of three-year medium-term business plan. The new three-year medium-term business plan that began to implement in FY2017 was formulated as follows.

New Medium-term business plan from FY2017 to FY2019

(Millions of yen)

	FY2017	FY2018	FY2019
	Plan	Plan	Plan
Order received	44,000	46,000	50,000
Net sales	44,500	45,500	46,500
Operating income	2,000	2,500	3,000
Ordinary income	2,500	3,000	3,500
Net income attributable to owners of parent	1,800	2,000	2,500

Note: These forecasts do not reflect International Financial Reporting Standards (IFRS).

(2) Analysis of financial position

Recent trends in cash flow indicators

	FY2014 (March 31, 2015)	FY2015 (March 31, 2016)	FY2016 (March 31, 2017)
Equity ratio (%)	50.0	48.7	48.9
Equity ratio at market value (%)	33.8	41.3	43.8
Debut to cash flow ratio (year)	-	3.3	2.0
Interest coverage ratio (times)	-	28.4	52.4

Note: Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Stock market capitalization / Total assets

Debut to cash flow ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest expenses

- All indicators in the table above were computed with consolidated financial data.

- Stock market capitalization was computed on the basis of the number of outstanding shares without treasury stock.

- Operating cash flow is used for cash flow.

- Interest bearing debt indicates all debt paying interest among liabilities recorded in consolidated balance sheets.

(3) Basic policy for allocation of income and dividends for FY 2016 and FY 2017

The basic policy of the group is to pay stable dividends to shareholders. Taking account of the future needs to make investments for future growth, the group aims to maintain a dividend payout ratio of 30%.

Regarding retained earnings, the group aims to invest these funds effectively for financing new growth, including the development of technologies and products for responding to future advances in the sophistication of pumping as well as related equipment and software. The group also uses retained earnings for the maintenance of existing pumping stations and plants, for the development of more-efficient production facilities, and for expanding the scope of its business portfolio to environmental businesses that will help to conserve the global environment.

For FY 2016, the group paid a regular interim dividend of ¥9 per share. In paying its fiscal year-end dividend, the group emphasizes providing a return to shareholders and is planning to pay a dividend of ¥9 per share. Thus, the dividend for the full fiscal year, including interim and fiscal year-end dividends, will be ¥18 per share. For FY2017, the group is planning to also pay a dividend for the full year of ¥18 per share.

2. Corporate group information

TORISHIMA SERVICE SOLUTIONS THAILAND LTD. was established and included in the scope of a consolidated subsidiary in FY2016. FLUID EQUIPMENT DEVELOPMENT COMPANY, LLC. and FEDCO REALESTATE HOLDINGS, LLC. which were equity-method affiliates until FY2015 were excluded from the scope of equity method in FY2016 due to the sale of all shares.

3. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	FY 2015 (March 31, 2016)	FY 2016 (March 31, 2017)
Assets		
Current assets		
Cash and deposits	7,243	10,930
Notes and accounts receivable - trade	23,003	23,667
Merchandise and finished goods	266	273
Work in process	6,996	6,885
Raw materials and supplies	2,024	1,837
Advance payments - trade	243	417
Deferred tax assets	512	655
Other	1,597	1,024
Allowance for doubtful accounts	-355	-371
Total current assets	41,532	45,318
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,947	10,141
Accumulated depreciation	-5,709	-5,929
Buildings and structures, net	4,237	4,212
Machinery, equipment and vehicles	10,326	10,617
Accumulated depreciation	-7,710	-8,109
Machinery, equipment and vehicles, net	2,615	2,507
Tools, furniture and fixtures	2,343	2,497
Accumulated depreciation	-1,997	-2,184
Tools, furniture and fixtures, net	345	313
Land	2,510	2,499
Leased assets	643	644
Accumulated depreciation	-333	-311
Leased assets, net	309	333
Construction in progress	69	71
Total property, plant and equipment	10,088	9,937
Intangible assets	2,114	1,784
Investments and other assets		
Investment securities	11,582	9,922
Long-term loans receivable	344	358
Net defined benefit asset	173	375
Deferred tax assets	51	53
Other	675	532
Allowance for doubtful accounts	-365	-562
Total investments and other assets	12,462	10,679
Total non-current assets	24,665	22,401
Total assets	66,198	67,719

(Millions of yen)

	FY 2015 (March 31, 2016)	FY 2016 (March 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,264	9,457
Short-term loans payable	6,585	7,453
Income taxes payable	195	337
Advances received	3,202	4,381
Provision for bonuses	742	771
Provision for product warranties	654	847
Provision for loss on construction contracts	313	957
Other	2,169	1,994
Total current liabilities	22,128	26,200
Non-current liabilities		
Long-term loans payable	9,724	5,668
Deferred tax liabilities	701	1,221
Provision for directors' retirement benefits	14	16
Net defined benefit liability	300	320
Other	534	578
Total non-current liabilities	11,275	7,805
Total liabilities	33,403	34,006
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,800	7,769
Retained earnings	21,733	22,774
Treasury shares	-1,671	-1,904
Total shareholders' equity	29,455	30,233
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	800	1,832
Deferred gains or losses on hedges	241	6
Foreign currency translation adjustment	1,523	743
Remeasurements of defined benefit plans	190	307
Total accumulated other comprehensive income	2,755	2,891
Subscription rights to shares	99	118
Non-controlling interests	483	470
Total net assets	32,794	33,713
Total liabilities and net assets	66,198	67,719

(2) Consolidated statements of (comprehensive) income
(Consolidated statements of income)

(Millions of yen)

	FY 2015 (April 1, 2015 to March 31, 2016)	FY 2016 (April 1, 2016 to March 31, 2017)
Net sales	40,479	44,414
Cost of sales	31,287	33,876
Gross profit	9,191	10,538
Selling, general and administrative expenses	8,818	9,075
Operating income	373	1,462
Non-operating income		
Interest income	28	38
Dividend income	184	299
Gain on redemption of investment securities	300	—
Foreign exchange gains	—	126
Rent income	137	145
Other	153	153
Total non-operating income	804	762
Non-operating expenses		
Interest expenses	176	123
Share of loss of entities accounted for using equity method	1,076	17
Foreign exchange losses	1,395	—
Provision of allowance for doubtful accounts	—	133
Other	193	79
Total non-operating expenses	2,841	354
Ordinary income (loss)	-1,663	1,871
Extraordinary income		
Gain on sales of investment securities	9	—
Gain on sales of shares of subsidiaries and associates	201	168
Resignation payment trust return gain	467	—
Total extraordinary income	678	168
Extraordinary losses		
Loss on sales of investment securities	86	—
Loss on valuation of investment securities	6	103
Settlement - relates Costs	337	—
Total extraordinary losses	430	103
Profit (loss) before income taxes	-1,415	1,936
Income taxes - current	243	336
Income taxes - deferred	732	-59
Total income taxes	976	277
Profit (loss)	-2,392	1,659
Profit attributable to non-controlling interests	29	126
Profit (loss) attributable to owners of parent	-2,422	1,532

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY 2015 (April 1, 2015 to March 31, 2016)	FY 2016 (April 1, 2016 to March 31, 2017)
Profit	-2,392	1,659
Other comprehensive income		
Valuation difference on available-for-sale securities	-813	1,032
Deferred gains or losses on hedges	698	-234
Foreign currency translation adjustment	52	-822
Remeasurements of defined benefit plans, net of tax	-534	117
Share of other comprehensive income of entities accounted for using equity method	-1	-3
Total other comprehensive income	-598	88
Comprehensive income	-2,990	1,747
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-3,052	1,667
Comprehensive income attributable to non-controlling interests	61	79

(3) Consolidated statements of changes in net assets

FY 2015 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,592	7,828	24,650	-1,499	32,573
Changes of items during period					
Dividends of surplus			-495		-495
Profit (loss) attributable to owners of parent			-2,422		-2,422
Purchase of treasury shares				-191	-191
Disposal of treasury shares		10		19	30
Sales of shares of consolidated subsidiaries		-38			-38
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	-27	-2,917	-172	-3,117
Balance at end of current period	1,592	7,800	21,733	-1,671	29,455

	Accumulated other comprehensive income					Subscription rights to shares	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	1,614	-456	1,503	725	3,386	109	463	36,532
Changes of items during period								
Dividends of surplus								-495
Profit (loss) attributable to owners of parent								-2,422
Purchase of treasury shares								-191
Disposal of treasury shares								30
Sales of shares of consolidated subsidiaries								-38
Net changes of items other than shareholders' equity	-813	698	20	-534	-630	-10	20	-620
Total changes of items during period	-813	698	20	-534	-630	-10	20	-3,737
Balance at end of current period	800	241	1,523	190	2,755	99	483	32,794

FY 2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,592	7,800	21,733	-1,671	29,455
Changes of items during period					
Dividends of surplus			-491		-491
Profit (loss) attributable to owners of parent			1,532		1,532
Purchase of treasury shares				-240	-240
Disposal of treasury shares		0		7	8
Sales of shares of consolidated subsidiaries		-31			-31
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-30	1,041	-232	777
Balance at end of current period	1,592	7,769	22,774	-1,904	30,233

	Accumulated other comprehensive income					Subscription rights to shares	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	800	241	1,523	190	2,755	99	483	32,794
Changes of items during period								
Dividends of surplus								-491
Profit (loss) attributable to owners of parent								1,532
Purchase of treasury shares								-240
Disposal of treasury shares								8
Sales of shares of consolidated subsidiaries								-31
Net changes of items other than shareholders' equity	1,032	-234	-779	117	135	19	-12	141
Total changes of items during period	1,032	-234	-779	117	135	19	-12	918
Balance at end of current period	1,832	6	743	307	2,891	118	470	33,713

(4) Consolidated statements of cash flows

(Millions of yen)

	FY 2015 (April 1, 2015 to March 31, 2016)	FY 2016 (April 1, 2016 to March 31, 2017)
Cash flows from operating activities		
Profit (loss) before income taxes	-1,415	1,936
Depreciation	1,561	1,599
Increase (decrease) in allowance for doubtful accounts	415	223
Increase (decrease) in provision for product warranties	17	193
Increase (decrease) in provision for loss on construction contracts	-122	644
Increase (decrease) in net defined benefit liability	672	-12
Interest and dividend income	-213	-338
Interest expenses	176	123
Share of (profit) loss of entities accounted for using equity method	1,076	17
Loss (gain) on redemption of investment securities	-300	—
Loss (gain) on sales of investment securities	76	—
Loss (gain) on valuation of investment securities	12	101
Loss (gain) on sales of shares of subsidiaries and associates	-201	-168
Loss (gain) on sales and retirement of property, plant and equipment	-30	8
Retirement benefit trust return gain	-467	—
Decrease (increase) in notes and accounts receivable - trade	3,471	-915
Decrease (increase) in inventories	-504	242
Decrease (increase) in advance payments	558	-186
Increase (decrease) in notes and accounts payable - trade	-1,735	1,304
Increase (decrease) in advances received	1,421	1,222
Increase (decrease) in accounts payable - other	561	-87
Other, net	-237	446
Subtotal	4,793	6,356
Interest and dividend income received	436	496
Interest expenses paid	-175	-124
Income taxes paid	-155	-264
Income taxes refund	101	32
Net cash provided by (used in) operating activities	5,000	6,496
Cash flows from investing activities		
Payments into time deposits	-18	-18
Proceeds from withdrawal of time deposits	69	29
Purchase of property, plant and equipment	-1,109	-924
Proceeds from sales of property, plant and equipment	144	27
Purchase of intangible assets	-281	-160
Purchase of investment securities	-1,000	-39
Proceeds from sales of investment securities	1,449	2,524
Payments of loans receivable	-0	-111
Collection of loans receivable	248	24
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	95	—
Other, net	-11	21
Net cash provided by (used in) investing activities	-415	1,376

(Millions of yen)

	FY 2015 (April 1, 2015 to March 31, 2016)	FY 2016 (April 1, 2016 to March 31, 2017)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-999	-4,029
Proceeds from long-term loans payable	2,008	1,892
Repayments of long-term loans payable	-1,729	-1,000
Proceeds from sales of treasury shares	—	5
Purchase of treasury shares	-191	-240
Proceeds from share issuance to non-controlling shareholders	—	26
Dividends paid to non-controlling interests	-54	-68
Cash dividends paid	-497	-491
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	-87
Other, net	-160	-146
Net cash provided by (used in) financing activities	-1,624	-4,140
Effect of exchange rate change on cash and cash equivalents	-92	-36
Net increase (decrease) in cash and cash equivalents	2,867	3,696
Cash and cash equivalents at beginning of period	4,307	7,175
Cash and cash equivalents at end of period	7,175	10,871

(5) Notes for consolidated financial statements

- Segment information

FY2015 (April 1, 2015 to March 31, 2016)

The information is omitted by reason that the group's pump business exceeds 90% of both total sales and total operating income of all segments.

FY2016 (April 1, 2016 to March 31, 2017)

The information is omitted by reason that the group's pump business exceeds 90% of both total sales and total operating income of all segments.

- Additional information

FY2015 (April 1, 2015 to March 31, 2016)

Sales by area

(Millions of yen)

Japan	Asia	Middle East		Others	Total
			Saudi Arabia		
17,059	11,307	8,225	2,536	3,887	40,479

Note: Sales is based on the place where products were installed and divided into countries or areas.

Property, plant and equipment by area

(Millions of yen)

Japan	Asia	Middle East	Others	Total
7,634	1,596	713	144	10,088

FY2016 (April 1, 2016 to March 31, 2017)

Sales by area

(Millions of yen)

Japan	Asia	Middle East		Others	Total
			Qatar		
22,153	8,612	10,940	4,076	2,708	44,414

Note: Sales is based on the place where products were installed and divided into countries or areas.

Property, plant and equipment by area

(Millions of yen)

Japan	Asia	Middle East	Others	Total
7,668	1,461	691	115	9,937

- Information on impairment loss of non-current assets by reporting segment

FY2015 (April 1, 2015 to March 31, 2016)

No applicable items

FY2016 (April 1, 2016 to March 31, 2017)

No applicable items

- Information on depreciation of goodwill and undepreciated balance by reporting segment

FY2015 (April 1, 2015 to March 31, 2016) (Millions of Yen)

	Pump business
Depreciation amount on FY2015	25
Balance on March 31, 2016	50

FY2016 (April 1, 2016 to March 31, 2017) (Millions of Yen)

	Pump business
Depreciation amount on FY2016	14
Balance on March 31, 2017	34

- Information on a gain on negative goodwill by reporting segment

FY2015 (April 1, 2015 to March 31, 2016)

No applicable items

FY2016 (April 1, 2016 to March 31, 2017)

No applicable items

- Information on net assets per share

(Yen)

	FY2015 (April 1, 2015 to March 31, 2016)	FY2016 (April 1, 2016 to March 31, 2017)
Net assets per share	1,179.57	1,221.94
Net income per share - Basic	-88.13	56.15
Net income per share - Diluted	—	55.91

Note: Net income per share – basic and diluted are computed by the basis of the following.

	FY2015 (April 1, 2015 to March 31, 2016)	FY2016 (April 1, 2016 to March 31, 2017)
Net income per share - Basic		
Net income (loss) attributable to owners of parent (Millions of Yen)	-2,422	1,532
Amount not belonging to common shareholders	—	—
Net income (loss) attributable to owners of parent available to common shareholders (Millions of Yen)	-2,422	1,532
Average shares of common stocks	27,479,485	27,291,908
Net income per share - Diluted		
Adjustment of net income attributable to owners of parent (Millions of Yen)	—	—
Increasing number of common stock	112,960	117,256
(Rights to purchase new shares)	(112,960)	(117,256)
Potential shares excluded from consumption of diluted income per share which don't have a dilutive effect		—

- Important post-balance sheet events

No applicable items

4. Individual financial statements

(1) Balance sheets

(Millions of yen)

	FY 2015 (March 31, 2016)	FY 2016 (March 31, 2017)
Assets		
Current assets		
Cash and deposits	4,608	7,772
Notes receivable - trade	1,325	1,245
Accounts receivable - trade	18,408	20,143
Merchandise and finished goods	140	127
Work in process	5,856	5,330
Raw materials and supplies	1,220	1,144
Advance payments - trade	223	193
Prepaid expenses	152	190
Deferred tax assets	471	616
Short-term loans receivable	604	768
Other	1,141	295
Allowance for doubtful accounts	-231	-292
Total current assets	33,920	37,535
Non-current assets		
Property, plant and equipment		
Buildings	2,813	2,852
Structures	203	254
Machinery and equipment	1,708	1,703
Vehicles	16	8
Tools, furniture and fixtures	187	170
Land	2,178	2,166
Leased assets	248	286
Construction in progress	69	34
Total property, plant and equipment	7,426	7,477
Intangible assets		
Software	1,948	1,646
Other	26	24
Total intangible assets	1,974	1,670
Investments and other assets		
Investment securities	7,196	8,544
Shares and investments in capital of subsidiaries and associates	2,515	1,849
Long-term loans receivable	4,128	1,342
Prepaid pension cost	—	—
Other	531	539
Allowance for doubtful accounts	-635	-835
Total investments and other assets	13,736	11,438
Total non-current assets	23,137	20,586
Total assets	57,057	58,122

(Millions of yen)

	FY 2015 (March 31, 2016)	FY 2016 (March 31, 2017)
Liabilities		
Current liabilities		
Notes payable - trade	638	965
Accounts payable - trade	6,826	7,755
Short-term loans payable	5,841	6,716
Lease obligations	103	102
Accounts payable - other	870	931
Accrued expenses	381	343
Advances received	2,701	3,517
Deposits received	39	44
Unearned revenue	8	8
Provision for bonuses	696	720
Provision for product warranties	645	785
Provision for loss on construction contracts	300	947
Other	56	319
Total current liabilities	19,109	23,158
Non-current liabilities		
Long-term loans payable	9,497	5,650
Lease obligations	163	207
Deferred tax liabilities	486	944
Provision for retirement benefits	169	138
Other	256	252
Total non-current liabilities	10,572	7,194
Total liabilities	29,682	30,353
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus		
Legal capital surplus	4,610	4,610
Other capital surplus	3,228	3,229
Total capital surpluses	7,839	7,839
Retained earnings		
Legal retained earnings	398	398
Other retained earnings		
Reserve for advanced depreciation of non-current assets	396	398
Reserve for dividend equalization	1,400	1,400
General reserve	11,470	11,470
Retained earnings brought forward	4,808	4,616
Total retained earnings	18,473	18,283
Treasury shares	-1,671	-1,904
Total shareholders' equity	26,234	25,811
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	799	1,831
Deferred gains or losses on hedges	241	6
Total valuation and translation adjustments	1,041	1,838
Subscription rights to shares	99	118
Total net assets	27,375	27,769
Total liabilities and net assets	57,057	58,122

(2) Statements of income

(Millions of yen)

	FY 2015 (April 1, 2015 to March 31, 2016)	FY 2016 (April 1, 2016 to March 31, 2017)
Net sales	31,329	36,130
Cost of sales	26,192	29,441
Gross profit	5,137	6,689
Selling, general and administrative expenses	6,214	6,394
Operating profit (loss)	-1,077	295
Non-operating income		
Interest income	175	75
Dividend income	696	856
Gain on redemption of investment securities	300	—
Foreign exchange gains	—	200
Rent income	145	150
Other	158	70
Total non-operating income	1,475	1,353
Non-operating expenses		
Interest expenses	104	76
Provision of allowance for doubtful accounts	291	108
Foreign exchange losses	1,329	—
Other	56	57
Total non-operating expenses	1,782	241
Ordinary profit (loss)	-1,385	1,407
Extraordinary income		
Gain on sales of investment securities	9	—
Gain on sales of shares of subsidiaries and associates	134	—
Resignation payment trust return gain	467	—
Total extraordinary income	612	—
Extraordinary losses		
Loss on sales of investment securities	86	—
Loss on sales of shares of subsidiaries and associates	5	—
Loss on valuation of investment securities	—	103
Loss on valuation of shares of subsidiaries and associates	874	820
Settlement - relates Costs	337	—
Total extraordinary losses	1,303	924
Profit before income taxes	-2,076	483
Income taxes - current	85	212
Income taxes - deferred	720	-29
Total income taxes	806	182
Profit (loss)	-2,882	301

(3) Statements of changes in net assets
 FY 2015 (April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for advanced depreciation of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at beginning of current period	1,592	4,610	3,217	7,828	398	389	1,400	11,470	8,193	21,851
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets						-0			0	—
Adjustment to reserve due to change in tax rate						8			-8	—
Dividends of surplus									-495	-495
Net income									-2,882	-2,882
Purchase of treasury shares										
Disposal of treasury shares			10	10						
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	10	10	—	7	—	—	-3,385	-3,377
Balance at end of current period	1,592	4,610	3,228	7,839	398	396	1,400	11,470	4,808	18,473

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	-1,499	29,773	1,613	-456	1,156	109	31,039
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets		—					—
Adjustment to reserve due to change in tax rate		—					—
Dividends of surplus		-495					-495
Net income		-2,882					-2,882
Purchase of treasury shares	-191	-191					-191
Disposal of treasury shares	19	30					30
Net changes of items other than shareholders' equity			-813	698	-115	-10	-125
Total changes of items during period	-172	-3,539	-813	698	-115	-10	-3,664
Balance at end of current period	-1,671	26,234	799	241	1,041	99	27,375

FY 2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings					
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings
						Reserve for advanced depreciation of non-current assets	Reserve for dividend equalization	General reserve	Retained earnings brought forward	
Balance at beginning of current period	1,592	4,610	3,228	7,839	398	396	1,400	11,470	4,808	18,473
Changes of items during period										
Reversal of reserve for advanced depreciation of non-current assets						-0			0	—
Adjustment to reserve due to change in tax rate						1			-1	—
Dividends of surplus									-491	-491
Net income									301	301
Purchase of treasury shares										
Disposal of treasury shares			0	0						
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	0	0	—	1	—	—	-191	-190
Balance at end of current period	1,592	4,610	3,229	7,839	398	398	1,400	11,470	4,616	18,283

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of current period	-1,671	26,234	799	241	1,041	99	27,375
Changes of items during period							
Reversal of reserve for advanced depreciation of non-current assets		—					—
Adjustment to reserve due to change in tax rate		—					—
Dividends of surplus		-491					-491
Net income		301					301
Purchase of treasury shares	-240	-240					-240
Disposal of treasury shares	7	8					8
Net changes of items other than shareholders' equity			1,032	-234	797	19	816
Total changes of items during period	-232	-422	1,032	-234	797	19	394
Balance at end of current period	-1,904	25,811	1,831	6	1,838	118	27,769

5. Additional information

Orders received, sales and orders backlog by demand category

Orders received

(Millions of yen)

	From April 1, 2015 to March 31, 2016		From April 1, 2016 to March 31, 2017		Year-on-year comparison	
Domestic public	16,013	31.2%	15,913	36.6%	-99	-0.6%
Domestic private	8,396	16.4%	7,973	18.3%	-422	-5.0%
Overseas	26,895	52.4%	19,595	45.1%	-7,299	-27.1%
Total	51,304	100.0%	43,483	100.0%	-7,821	-15.2%

Sales

(Millions of yen)

	From April 1, 2015 to March 31, 2016		From April 1, 2016 to March 31, 2017		Year-on-year comparison	
Domestic public	9,980	24.7%	13,832	31.2%	3,852	38.6%
Domestic private	7,078	17.5%	8,320	18.7%	1,241	17.5%
Overseas	23,419	57.8%	22,261	50.1%	-1,158	-4.9%
Total	40,479	100.0%	44,414	100.0%	3,935	9.7%

Orders backlog

(Millions of yen)

	From April 1, 2015 to March 31, 2016		From April 1, 2016 to March 31, 2017		Year-on-year comparison	
Domestic public	12,707	25.7%	14,788	30.5%	2,081	16.4%
Domestic private	5,598	11.3%	5,251	10.8%	-346	-6.2%
Overseas	31,101	63.0%	28,436	58.7%	-2,665	-8.6%
Total	49,407	100.0%	48,476	100.0%	-931	-1.9%