

RESULTS OF OPERATIONS FOR
THE YEAR ENDED MARCH 31, 2018 (CONSOLIDATED)
(Japanese GAAP)

May 10, 2018

Listed company name: Torishima Pump Mfg. Co. Ltd.
 Stock exchange listings: First Section of Tokyo Stock Exchange
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 Scheduled date of general shareholders' meeting: June 28, 2018
 Scheduled date of starting dividend payment: June 6, 2018
 Scheduled date of filing financial statements: June 28, 2018
 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 2017 (April 1, 2017 to March 31, 2018)

(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 2017	45,381	2.2	1,257	-14.1	1,549	-17.2	854	-44.2
FY 2016	44,414	9.7	1,462	291.9	1,871	-	1,532	-

Note: Comprehensive income FY2017 ¥ 1,165 million (-33.3%) FY2016 ¥ 1,747 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 2017	31.50	31.34	2.6	2.2	2.8
FY 2016	56.15	55.91	4.7	2.8	3.3

Reference: Equity in earnings of affiliates FY2017 ¥ 96 million FY2016 ¥ -17 million

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2017	71,651	34,017	47.0	1,240.33
FY 2016	67,719	33,713	48.9	1,221.94

Reference: Shareholders' equity FY2017 ¥ 33,690 million FY2016 ¥ 33,124 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 2017	587	-1,105	1,153	11,379
FY 2016	6,496	1,376	-4,140	10,871

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 2016	-	9.00	-	9.00	18.00	491	32.1	1.4
FY 2017	-	9.00	-	9.00	18.00	491	57.5	1.4
FY 2018 (Forecast)	-	9.00	-	9.00	18.00		32.8	

3. Forecast for the Fiscal 2018 (April 1, 2018 to March 31, 2019) % 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	46,000	1.4	2,000	59.1	2,000	29.1	1,400	63.7	51.26

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: No
- 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 2017) 29,889,079 (FY 2016) 29,889,079
- ② Number of treasury stocks at period end
(FY 2017) 2,726,906 (FY 2016) 2,781,139
- ③ Weighted-average number of shares outstanding over the period
(FY 2017) 27,134,901 (FY 2016) 27,291,908

Reference: Unconsolidated financial results of Fiscal 2017 (April 1, 2017 to March 31, 2018)

(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 2017	37,008	2.4	441	49.1	762	-45.8	183	-39.2
FY 2016	36,130	15.3	295	-	1,407	-	301	-

	Net income per share - Basic	Net income per share - Diluted
	Yen	Yen
FY 2017	6.75	6.71
FY 2016	11.03	10.99

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY 2017	61,704	27,820	44.9	1,024.22
FY 2016	58,122	27,769	47.6	1,020.00

Reference: Shareholders' equity FY 2017 ¥27,677 million FY 2016 ¥27,650 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

FY2017

(Millions of yen)

	Orders received		Net sales		Orders backlog	
Domestic public	13,914	32.9%	16,621	36.6%	12,082	26.7%
Domestic private	8,914	21.1%	8,436	18.6%	5,729	12.6%
Overseas	19,403	46.0%	20,322	44.8%	27,516	60.7%
Total	42,233	100.0%	45,381	100.0%	45,328	100.0%

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%

Operating income on a consolidated basis in FY2017 amounted to ¥1,257 million (operating income in the previous fiscal year amounted to ¥1,462 million). Orders received increased and gross profit margin improved. However, administrative expenses increased. In addition, about ¥900 million recorded for provision for loss on construction contracts selling, general because extra expense occurred due to prolonged Middle East projects.

Ordinary income amounted to ¥1,549 million (ordinary income in the previous fiscal year amounted to ¥1,871 million). This was influenced by share of profit of entities accounted for using equity method of ¥96 million as non-operating income.

Net income attributable to owners of parent was ¥854 million (net income attributable to owners of parent in the previous fiscal year was ¥1,532 million). This was influenced by loss on valuation of shares of subsidiaries and associates of ¥104 million as extraordinary loss.

- Forecast for FY2018 and 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	Actual	Initial Plan	Revised Plan	Initial Plan	Revised Plan
Order received	44,000	42,233	46,000	45,000	50,000	46,000
Net sales	44,500	45,381	45,500	46,000	46,500	46,000
Operating income	2,000	1,257	2,500	2,000	3,000	2,500
Ordinary income	2,500	1,549	3,000	2,000	3,500	2,500
Net income attributable to owners of parent	1,800	854	2,000	1,400	2,500	1,800

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

(2) Analysis of financial position

Recent trends in cash flow indicators

	FY2015 (March 31, 2016)	FY2016 (March 31, 2017)	FY2017 (March 31, 2018)
Equity ratio (%)	48.7	48.9	47.0
Equity ratio at market value (%)	41.3	43.8	37.7
Debut to cash flow ratio (year)	3.3	2.0	26.0
Interest coverage ratio (times)	28.4	52.4	4.9

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 2017 and FY 2018

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 2017, 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 FY2018, the group is planning to also pay a dividend for the full year of ¥18 per share.

2. Corporate group information

There has been no material change in information regarding business lines of the group (the Company and its affiliated companies) and no change in major affiliated companies during this fiscal year.

3. Basic policy for application of accounting standards

Although the group operates globally, all overseas subsidiaries are unlisted company and there is no plan to procure funds overseas. Therefore, we adopt Japan's standard for the time being. However, we are considering adopting International Financial Reporting Standards (IFRS), referring to the trend of adopting IFRS and stakeholders.

4. Consolidated financial statements

(1) Consolidated balance sheets

	(Millions of yen)	
	FY 2016 (March 31, 2017)	FY 2017 (March 31, 2018)
Assets		
Current assets		
Cash and deposits	10,930	11,474
Notes and accounts receivable - trade	23,667	26,784
Merchandise and finished goods	273	228
Work in process	6,885	7,639
Raw materials and supplies	1,837	1,663
Advance payments - trade	417	661
Deferred tax assets	655	511
Other	1,024	946
Allowance for doubtful accounts	-371	-841
Total current assets	45,318	49,067
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,141	10,084
Accumulated depreciation	-5,929	-6,215
Buildings and structures, net	4,212	3,869
Machinery, equipment and vehicles	10,617	10,772
Accumulated depreciation	-8,109	-8,387
Machinery, equipment and vehicles, net	2,507	2,384
Tools, furniture and fixtures	2,497	2,718
Accumulated depreciation	-2,184	-2,371
Tools, furniture and fixtures, net	313	346
Land	2,499	2,490
Leased assets	644	715
Accumulated depreciation	-311	-277
Leased assets, net	333	437
Construction in progress	71	102
Total property, plant and equipment	9,937	9,631
Intangible assets	1,784	1,416
Investments and other assets		
Investment securities	9,922	10,497
Long-term loans receivable	358	349
Net defined benefit asset	375	597
Deferred tax assets	53	55
Other	532	561
Allowance for doubtful accounts	-562	-523
Total investments and other assets	10,679	11,536
Total non-current assets	22,401	22,583
Total assets	67,719	71,651

(Millions of yen)

	FY 2016 (March 31, 2017)	FY 2017 (March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,457	10,998
Short-term loans payable	7,453	4,196
Income taxes payable	337	379
Advances received	4,381	3,091
Provision for bonuses	771	856
Provision for product warranties	847	722
Provision for loss on construction contracts	957	1,635
Other	1,994	2,250
Total current liabilities	26,200	24,130
Non-current liabilities		
Long-term loans payable	5,668	11,095
Deferred tax liabilities	1,221	1,408
Provision for directors' retirement benefits	16	19
Net defined benefit liability	320	300
Other	578	679
Total non-current liabilities	7,805	13,504
Total liabilities	34,006	37,634
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus	7,769	7,604
Retained earnings	22,774	23,138
Treasury shares	-1,904	-1,841
Total shareholders' equity	30,233	30,494
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,832	2,039
Deferred gains or losses on hedges	6	72
Foreign currency translation adjustment	743	621
Remeasurements of defined benefit plans	307	461
Total accumulated other comprehensive income	2,891	3,196
Share acquisition rights	118	142
Non-controlling interests	470	184
Total net assets	33,713	34,017
Total liabilities and net assets	67,719	71,651

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

(Millions of yen)

	FY 2016 (April 1, 2016 to March 31, 2017)	FY 2017 (April 1, 2017 to March 31, 2018)
Net sales	44,414	45,381
Cost of sales	33,876	34,426
Gross profit	10,538	10,954
Selling, general and administrative expenses	9,075	9,697
Operating profit	1,462	1,257
Non-operating income		
Interest income	38	25
Dividend income	299	242
Gain on redemption of investment securities	126	—
Share of profit of entities accounted for using equity method	—	96
Rent income	145	143
Other	153	169
Total non-operating income	762	676
Non-operating expenses		
Interest expenses	123	120
Share of loss of entities accounted for using equity method	17	—
Commission for syndicate loan	3	67
Foreign exchange losses	—	94
Provision of allowance for doubtful accounts	133	—
Other	76	103
Total non-operating expenses	354	384
Ordinary profit	1,871	1,549
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	168	—
Total extraordinary income	168	—
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	103	104
Total extraordinary losses	103	104
Profit before income taxes	1,936	1,444
Income taxes - current	336	385
Income taxes - deferred	-59	183
Total income taxes	277	569
Profit	1,659	875
Profit attributable to non-controlling interests	126	20
Profit attributable to owners of parent	1,532	854

(Consolidated statements of comprehensive income)

(Millions of yen)

	FY 2016 (April 1, 2016 to March 31, 2017)	FY 2017 (April 1, 2017 to March 31, 2018)
Profit	1,659	875
Other comprehensive income		
Valuation difference on available-for-sale securities	1,032	206
Deferred gains or losses on hedges	-234	65
Foreign currency translation adjustment	-822	-140
Remeasurements of defined benefit plans, net of tax	117	153
Share of other comprehensive income of entities accounted for using equity method	-3	3
Total other comprehensive income	88	290
Comprehensive income	1,747	1,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,667	1,160
Comprehensive income attributable to non-controlling interests	79	5

(3) Consolidated statements of changes in net assets

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 attributable to owners of parent			1,532		1,532
Purchase of treasury shares				-240	-240
Disposal of treasury shares		0		7	8
Purchase 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					Share acquisition rights	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 attributable to owners of parent								1,532
Purchase of treasury shares								-240
Disposal of treasury shares								8
Purchase 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

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,592	7,769	22,774	-1,904	30,233
Changes of items during period					
Dividends of surplus			-491		-491
Profit attributable to owners of parent			854		854
Purchase of treasury shares				-0	-0
Disposal of treasury shares				63	63
Purchase of shares of consolidated subsidiaries		-165			-165
Net changes of items other than shareholders' equity					
Total changes of items during period	—	-165	363	62	260
Balance at end of current period	1,592	7,604	23,138	-1,841	30,494

	Accumulated other comprehensive income					Share acquisition rights	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	1,832	6	743	307	2,891	118	470	33,713
Changes of items during period								
Dividends of surplus								-491
Profit attributable to owners of parent								854
Purchase of treasury shares								-0
Disposal of treasury shares								63
Purchase of shares of consolidated subsidiaries								-165
Net changes of items other than shareholders' equity	207	65	-121	153	305	23	-285	43
Total changes of items during period	207	65	-121	153	305	23	-285	303
Balance at end of current period	2,039	72	621	461	3,196	142	184	34,017

(4) Consolidated statements of cash flows

(Millions of yen)

	FY 2016 (April 1, 2016 to March 31, 2017)	FY 2017 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit (loss) before income taxes	1,936	1,444
Depreciation	1,599	1,636
Increase (decrease) in allowance for doubtful accounts	223	430
Increase (decrease) in provision for product warranties	193	-122
Increase (decrease) in provision for loss on construction contracts	644	678
Increase (decrease) in net defined benefit liability	-12	-26
Interest and dividend income	-338	-267
Interest expenses	123	120
Share of loss (profit) of entities accounted for using equity method	17	-96
Loss (gain) on valuation of investment securities	101	104
Loss (gain) on sales of shares of subsidiaries and associates	-168	—
Loss (gain) on sales and retirement of property, plant and equipment	8	7
Decrease (increase) in notes and accounts receivable - trade	-915	-3,180
Decrease (increase) in inventories	242	-569
Decrease (increase) in advance payments	-186	-252
Increase (decrease) in notes and accounts payable - trade	1,304	1,576
Increase (decrease) in advances received	1,222	-1,282
Increase (decrease) in accounts payable - other	-87	294
Other, net	446	224
Subtotal	6,356	719
Interest and dividend income received	496	268
Interest expenses paid	-124	-119
Income taxes paid	-264	-335
Income taxes refund	32	53
Net cash provided by (used in) operating activities	6,496	587
Cash flows from investing activities		
Payments into time deposits	-18	-136
Proceeds from withdrawal of time deposits	29	97
Purchase of property, plant and equipment	-924	-715
Proceeds from sales of property, plant and equipment	27	63
Purchase of intangible assets	-160	-167
Purchase of investment securities	-39	-305
Proceeds from sales of investment securities	2,524	29
Payments of loans receivable	-111	-
Collection of loans receivable	24	16
Other, net	24	13
Net cash provided by (used in) investing activities	1,376	-1,105

(Millions of yen)

	FY 2016 (April 1, 2016 to March 31, 2017)	FY 2017 (April 1, 2017 to March 31, 2018)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-4,029	59
Proceeds from long-term loans payable	1,892	8,000
Repayments of long-term loans payable	-1,000	-5,873
Proceeds from sales of treasury shares	5	62
Purchase of treasury shares	-240	-0
Proceeds from share issuance to non-controlling shareholders	26	—
Dividends paid to non-controlling interests	-68	-1
Cash dividends paid	-491	-491
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-87	-470
Other, net	-146	-131
Net cash provided by (used in) financing activities	-4,140	1,153
Effect of exchange rate change on cash and cash equivalents	-36	-127
Net increase (decrease) in cash and cash equivalents	3,696	508
Cash and cash equivalents at beginning of period	7,175	10,871
Cash and cash equivalents at end of period	10,871	11,379

(5) Notes for consolidated financial statements

- Segment information

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.

FY2017 (April 1, 2017 to March 31, 2018)

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

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

FY2017 (April 1, 2017 to March 31, 2018)

Sales by area

(Millions of yen)

Japan	Asia	Middle East		Others	Total
			Qatar		
25,058	8,391	10,064	3,559	1,866	45,381

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
7,469	1,432	674	54	9,631

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

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

No items to report

FY2017 (April 1, 2017 to March 31, 2018)

No items to report

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

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

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

FY2017 (April 1, 2017 to March 31, 2018) (Millions of Yen)

	Pump business
Depreciation amount on FY2017	14
Balance on March 31, 2018	20

- Information on a gain on negative goodwill by reporting segment

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

No items to report

FY2017 (April 1, 2017 to March 31, 2018)

No items to report

- Information on net assets per share

(Yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Net assets per share	1,221.94	1,240.33
Net income per share - Basic	56.15	31.50
Net income per share - Diluted	55.91	31.34

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

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Net income per share - Basic		
Net income attributable to owners of parent (Millions of Yen)	1,532	854
Amount not belonging to common shareholders	—	—
Net income (loss) attributable to owners of parent available to common shareholders (Millions of Yen)	1,532	854
Average shares of common stocks	27,291,908	27,134,901
Net income per share - Diluted		
Adjustment of net income attributable to owners of parent (Millions of Yen)	—	—
Increasing number of common stock	117,256	137,959
(Rights to purchase new shares)	(117,256)	(137,959)
Potential shares excluded from consumption of diluted income per share which don't have a dilutive effect		—

- Important post-balance sheet events

No items to report

5. Individual financial statements

(1) Balance sheets

	(Millions of yen)	
	FY 2016 (March 31, 2017)	FY 2017 (March 31, 2018)
Assets		
Current assets		
Cash and deposits	7,772	8,734
Notes receivable - trade	1,245	1,723
Accounts receivable - trade	20,143	21,820
Merchandise and finished goods	127	121
Work in process	5,330	5,842
Raw materials and supplies	1,144	985
Advance payments - trade	193	426
Prepaid expenses	190	174
Deferred tax assets	616	477
Short-term loans receivable	768	849
Other	295	382
Allowance for doubtful accounts	-292	-748
Total current assets	37,535	40,789
Non-current assets		
Property, plant and equipment		
Buildings	2,852	2,637
Structures	254	235
Machinery and equipment	1,703	1,546
Vehicles	8	12
Tools, furniture and fixtures	170	184
Land	2,166	2,166
Leased assets	286	394
Construction in progress	34	58
Total property, plant and equipment	7,477	7,236
Intangible assets		
Software	1,646	1,295
Other	24	21
Total intangible assets	1,670	1,316
Investments and other assets		
Investment securities	8,544	9,118
Shares and investments in capital of Subsidiaries and associates	1,849	2,250
Long-term loans receivable	1,342	1,449
Other	539	509
Allowance for doubtful accounts	-835	-967
Total investments and other assets	11,438	12,361
Total non-current assets	20,586	20,915
Total assets	58,122	61,704

(Millions of yen)

	FY 2016 (March 31, 2017)	FY 2017 (March 31, 2018)
Liabilities		
Current liabilities		
Notes payable - trade	965	814
Accounts payable - trade	7,755	9,251
Short-term loans payable	6,716	3,551
Lease obligations	102	130
Accounts payable - other	931	960
Accrued expenses	343	348
Income taxes payable	225	246
Advances received	3,517	2,589
Deposits received	44	41
Unearned revenue	8	8
Provision for bonuses	720	739
Provision for product warranties	785	711
Provision for loss on construction contracts	947	1,596
Other	93	41
Total current liabilities	23,158	21,032
Non-current liabilities		
Long-term loans payable	5,650	11,095
Lease obligations	207	297
Deferred tax liabilities	944	1,102
Provision for retirement benefits	138	106
Other	252	249
Total non-current liabilities	7,194	12,852
Total liabilities	30,353	33,884
Net assets		
Shareholders' equity		
Capital stock	1,592	1,592
Capital surplus		
Legal capital surplus	4,610	4,610
Other capital surplus	3,229	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	398	397
Reserve for dividend equalization	1,400	1,400
General reserve	11,470	11,470
Retained earnings brought forward	4,616	4,309
Total retained earnings	18,283	17,974
Treasury shares	-1,904	-1,841
Total shareholders' equity	25,811	25,566
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,831	2,038
Deferred gains or losses on hedges	6	72
Total valuation and translation adjustments	1,838	2,111
Share acquisition rights	118	142
Total net assets	27,769	27,820
Total liabilities and net assets	58,122	61,704

(2) Statements of income

(Millions of yen)

	FY 2016 (April 1, 2016 to March 31, 2017)	FY 2017 (April 1, 2017 to March 31, 2018)
Net sales	36,130	37,008
Cost of sales	29,441	30,030
Gross profit	6,689	6,977
Selling, general and administrative expenses	6,394	6,536
Operating profit	295	441
Non-operating income		
Interest income	75	54
Dividend income	856	560
Foreign exchange gains	200	—
Rent income	150	153
Other	70	72
Total non-operating income	1,353	840
Non-operating expenses		
Interest expenses	76	82
Provision of allowance for doubtful accounts	108	220
Commission for syndicate loan	3	67
Foreign exchange losses	—	64
Other	54	84
Total non-operating expenses	241	519
Ordinary profit	1,407	762
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Loss on valuation of investment securities	103	—
Loss on valuation of shares of subsidiaries and associates	820	100
Total extraordinary losses	924	100
Profit before income taxes	483	661
Income taxes - current	212	297
Income taxes - deferred	-29	180
Total income taxes	182	478
Profit	301	183

(3) Statements of changes in net assets
 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
Profit									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			Share acquisition rights	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
Profit		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

FY 2017 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings						Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other 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	3,229	7,839	398	389	1,400	11,470	4,616	18,283	
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											
Dividends of surplus									-491	-491	
Profit									183	183	
Purchase of treasury shares											
Disposal of treasury shares											
Net changes of items other than shareholders' equity											
Total changes of items during period	—	—	—	—	—	-0	—	—	-307	-308	
Balance at end of current period	1,592	4,610	3,229	7,839	398	397	1,400	11,470	4,309	17,974	

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Share acquisition rights	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	-1,904	25,811	1,831	6	1,838	118	27,769
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
Profit		183					183
Purchase of treasury shares	-0	-0					-0
Disposal of treasury shares	63	63					63
Net changes of items other than shareholders' equity			206	65	272	23	296
Total changes of items during period	62	-245	206	65	272	23	50
Balance at end of current period	-1,841	25,566	2,038	72	2,111	142	27,820

4. Additional information

(1) Retirement / Appointment

- Director (scheduled on June 28, 2018)

Retirement of Director: Hiromichi Fujikawa (to be an Adviser)

(2) Orders received, sales and orders backlog by demand category

Orders received

(Millions of yen)

	From April 1, 2016 to March 31, 2017		From April 1, 2017 to March 31, 2018		Year-on-year comparison	
Domestic public	15,913	36.6%	13,914	32.9	-1,998	-12.6
Domestic private	7,973	18.3%	8,914	21.1	941	11.8
Overseas	19,595	45.1%	19,403	46.0	-192	-1.0
Total	43,483	100.0%	42,233	100.0%	-1,250	-2.9

Sales

(Millions of yen)

	From April 1, 2016 to March 31, 2017		From April 1, 2017 to March 31, 2018		Year-on-year comparison	
Domestic public	13,832	31.2%	16,621	36.6	2,788	20.2
Domestic private	8,320	18.7%	8,436	18.6	116	1.4
Overseas	22,261	50.1%	20,322	44.8	-1,938	-8.7
Total	44,414	100.0%	45,381	100.0%	966	2.2

Orders backlog

(Millions of yen)

	From April 1, 2016 to March 31, 2017		From April 1, 2017 to March 31, 2018		Year-on-year comparison	
Domestic public	14,788	30.5%	12,082	26.7	-2,706	-18.3
Domestic private	5,251	10.8%	5,729	12.6	478	9.1
Overseas	28,436	58.7%	27,516	60.7	-919	-3.2
Total	48,476	100.0%	45,328	100.0%	-3,148	-6.5