

Consolidated Financial Review

For the Year Ended March 31, 2017 [Japanese GAAP]



May15, 2017

Listed Market: TSE 1st section

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Application of U.S. GAAP: None

For reference only

The Japanese version of this Financial Review is the original, English version is essentially a translation from Japanese.

The accompanying financial statements have been prepared in accordance with accounting principles and practices generally accepted in Japan.

1. Financial highlights for the year ended March 31, 2017 (4/01/2016-3/31/2017)

(1) Consolidated operating results

% are the changes from the previous corresponding 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	%
Twelve months ended Mar.31, 2017	29,452	15.3	1,036	28.3	1,122	105.5	790	---
Twelve Month ended Mar.31,2016	25,545	53.7	807	2.6	546	-43.5	28	-95.6

Note: Comprehensive income

Twelve months ended Mar. 31, 2017 ¥756 million (---)

Twelve months ended Mar. 31, 2016 -¥101 million (---)

	Net income per share	Net income per share-diluted	Return on Equity	Ordinary Income to total asset	Operating Income to net sales
Twelve months ended Mar. 31, 2017	Yen 88.51	Yen 87.88	% 5.8	% 3.3	% 3.5
Twelve months ended Mar. 31, 2016	3.14	3.12	0.2	1.8	3.2

Profit/loss on equity method: Twelve month ended Mar.31, 2017: ---million:

Twelve month ended Mar.31, 2016: ¥72 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mil yen	Mil yen	%	Yen
Mar.31,2017	32,470	14,051	42.5	1,545.85
Mar.31,2016	34,760	13,498	38.1	1,482.87

Note: Equity

As of Mar. 31, 2017: ¥13,802 million

As of Mar. 31, 2016: ¥13,240 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flow investment activities	Cash flow from financial activities	Cash and cash equivalents at end of period
Twelve months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Mar.31,2017	4,369	-1,007	-1,779	6,703
Mar.31,2016	-4,715	-3,862	5,857	5,155

2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated payout ratio	Dividend on equity consolidated
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Mil Yen	%	%
Fiscal year ended Mar. 31 2016	---	10.00	---	10.00	20.00	178	636.9	1.3
Fiscal year ended Mar. 31 2017	---	10.00	---	10.00	20.00	178	22.6	1.3
Fiscal year ending Mar. 31 2018 (forecast)	---	10.00	---	10.00	20.00		17.9	

3. Corporate estimates for the year ending March 31, 2018

(% are the rate of increase or decrease from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Mill. Yen	%	Mill Yen	%	Mill. Yen	%	Mill Yen	%	Yen
Interim	13,000	-24.7	600	2.7	450	33.0	300	13.9	33.59
Fiscal year ending Mar. 2018	35,000	18.8	2,000	93.0	1,500	33.6	1,000	26.5	111.99

Notes

(1) Changes in significant consolidated subsidiaries (Changes in specified subsidiaries involving changes in scope of consolidation):
None

(2) Changes of accounting policies, changes in accounting estimates and retrospective restatement

- ① Changes of accounting policies accompanied by revision of accounting standard etc.: Yes
- ② Changes of accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Retrospective restatement : None

(3) Number of issued shares outstanding (Common shares)

① Number of issued shares outstanding as of end of period (including treasury stock)

As of Mar. 31, 2017: 9,674,587 shares As of Mar. 31, 2016: 9,674,587 shares

② Number of treasury stock as of end of period

As of Mar. 31, 2017: 745,801 shares As of Mar. 31, 2016: 745,801 shares

③ Average number of issued shares outstanding

Twelve months ended Mar. 31 2017: 8,928,786 shares Twelve months ended Mar. 31, 2016 8,926,445 shares

*Indication of review procedure implementation status

This financial report is exempt from review procedure based upon the Financial Instruments and Exchange Act and remains incomplete at the time of announcing this report

*Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this document are based on the information currently available to us and certain assumptions that are regarded as legitimate. We do not promise that the forecasts or estimates will be accurate. Large discrepancies may be seen in the actual results due to various factors. Please refer to P. 4 "Analysis of operating results and financial condition (1) Analysis of operating results"

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1. Analysis of operating results and financial conditions

(1) Analysis of operating results

a) Operating result of this financial period

This financial period, the world economy has kept moving recovery base overall. For example, in the U.S.A., economy has kept growing by expanding personnel consumption backed by improving employment condition, in Europe, economy has kept growing calmly supported by continuous quantitative easing policy by government, and in P.R.C, economy has recovered and grown steadily in spite of concern of recession of economy. However, there are some concerns spreading such as political capability of President Trump, worldwide appearance of nationalism and geopolitical risk of Syria and North Korea, and uncertainty about the future is growing.

In Japan, economy has moved recovery base calmly backed by improving employment condition and personnel consumption supported by government and central bank's policy. Under those economic situation, our group have endeavored to develop and commercialize the products which grasp changing customer's need.

As a result, our consolidated business result this financial year, sales amounted to ¥29,452 million (15.3% increased compared to the previous financial year), operating income marked ¥1,036 million (28.3% increased compared to the previous financial year), ordinary income marked ¥1,122 million (105.5% increased compared to the previous financial year), net income attributable to owners of parent marked ¥790 million (2,719.5% increased compared to the previous financial year).

Each segment result is as follows.

(Display related business segment)

We got the demand of panel manufacturing equipment for smartphone and tablet device and taskforce for improving profitability went well. But sales realization of some of units of equipment were shifted to following financial period and sales decreased a bit.

As a result, net sales of display related business amounted to ¥13,207 million (6.8% decreased compared to the previous financial year), and segment income marked ¥394 million (29.5% increased compared to the previous financial year).

(Mechatronics related business segment)

Y.A.C.Garter Co., Ltd., which was consolidated in the 2nd half of previous financial year, contributed full year and Y.A.C. Erecs Co., Ltd. was consolidated in the 2nd quarter and segment business went well.

As a result, net sales of mechatronics related business amounted to ¥14,555 million (50.0% increased compared to the previous financial year), and segment income marked ¥998 million (8.0% increased compared to the previous financial year).

(Cleaning related and other business)

We stably grasped the customers' needs in cleaning related business and segment business went stably and well.

As a result, this segment sales amounted to ¥1,689 million (1.2% increased compared to the previous financial year) and segment income marked ¥291 million (49.3% increased compared to the previous financial year)

(2) Analysis of financial conditions

a) Conditions of assets, liabilities and net assets

Current assets as of end of this consolidated financial year stood at ¥24,376 million decreased by ¥2,405 million compared to the previous consolidated financial year end. Main increased items were cash and deposits by ¥1,654 million and merchandise and finished goods by ¥262 million. Main decreased items were work in process by ¥2,452 million, trade note and accounts receivable by ¥1,475 million. Noncurrent assets amounted to ¥8,094 million increased by ¥115 million compared to the previous consolidated financial year end. As a result, total assets as of end of this consolidated financial year stood at ¥32,470 million,

decreased by ¥2,290 million compared to the previous consolidated financial year end. Current liabilities as of end of this consolidated financial year stood at ¥10,907 million, decreased by ¥3,461 million compared to the previous consolidated financial year end. Main increased item is advances received by ¥270 million and main decreased items were notes and account payable-trade by ¥1,511 million, short term loans payable by ¥1,458 million, income tax payable by ¥346 million and current portion of bond payable by ¥300 million. Non-current liabilities amounted to ¥7,511 million, increased by ¥617 million compared to the previous consolidated financial year end. Main increased item was long term loans payable by ¥513 million. As a result, total liabilities as of end of this consolidated financial year stood at ¥18,418 million, decreased by ¥2,843 million compared to the previous consolidated financial year end.

Total net assets as of end of this consolidated financial year amounted to ¥14,051 million increased by ¥553 million compared to the previous consolidated financial year end.

As a result, equity ratio at the end of this consolidated financial year came to 42.5% and net assets per share came to ¥1,545.85.

b) Condition of Cash Flows

Cash and cash equivalent at the end of this financial year was increased by ¥1,548 million, compared to the end of the previous financial year, to ¥6,703 million.

Condition of cash flows and main factors of this consolidated financial year are as follows.

(Cash flows from operating activities)

Cash flows from operating activities was positive ¥4,369 million compared to negative ¥4,715 million in the previous financial year. The main positive factors were ¥2,683 million decrease in inventories, decrease ¥2,498 million in trade payable, ¥1,140 million in earnings before income tax, decrease ¥528 million in accrued consumption tax and ¥518 million in depreciation and amortization. The main negative factors were decrease ¥2,426 million in trade payable, and ¥815 million in income tax paid.

(Cash flows from investing activities.)

Cash flows from investing activities was negative ¥1,007 million compared to negative ¥3,862 million in the previous financial year.

The main positive factors are ¥379 million in proceed from repayment of lending and ¥269 million in proceeds from drawing of time deposit. The main negative factors were ¥644 million in payment for lending, ¥445 million in payment for acquisition of tangible fixed assets, ¥323 million in payment for acquisition of subsidiary's stock resulting changes in scope of consolidation and ¥287 million in payment for establishment of time deposit.

(Cash flows from financing activities)

Cash flows from financing activities was negative ¥1,779 million compared to positive ¥5,857 million in the previous financial year. The main positive factor is ¥2,100 million in proceed from long-term borrowings. The main negative factors are decrease ¥1,743 million in short term borrowings, ¥1,617 million in payment for long term borrowings, ¥300 million in for redemption of bonds and ¥178 million in payment for dividends.

(3) Future forecast.

We consider that future economy will be keeping recovering calmly because present economy of P.R.C., Europe and Japan are improving trend backed by favorable US economy.

Under those economic situation, our group transited to holding company system on Apr.1, 2017. We will endeavor to build a strong stable corporate organization base in order to keep continuous growing in future.

We forecast the consolidated business result ending Mar.31, 2018 as follows: net sales will be ¥35,000 million, operating income will be ¥2,000 million, ordinary income will be ¥1,500 million and net income attributable to owners of parent will be ¥1,000 million.

(4) Basic policy on profit allocation and payment of dividends for current and next financial years

Basic policy of YAC group is to let corporate value keep increasing continuously and to return

profit to shareholders corresponding amount to corporate operating results. In order to achieve our basic policy, we endeavor to strengthen corporate body, to proceed our R&D activities and to pay dividends stably with considering the amount of retained earnings to cope with the changes of atmosphere.

We plan to pay a dividend 10 yen per share as a year-end dividend of this financial year. As a result, the dividend entire financial year is planned to be 20 yen per share including the interim dividend 10 yen per share.

For the following financial year, we plan to pay 20 yen dividend per share as a full year dividend based on basic policy with considering the projected operating results.

(5) Material events concerning Going concern assumption

In this financial year ended Mar.31, 2017, Y.A.C. Co., Ltd. booked a loss in mechatronics related business and display related business and marked operating loss ¥142 million because of unprofitable order received and delay of delivery in some unit of order received. As result of this, Y.A.C. Co., Ltd. single base booked a loss for consecutive three years. Under such a situation, material events concerning Going concern assumption exists.

However consolidated result of this financial year ended Mar.31, 2017, operating income marked ¥1,036 million, ordinary income marked ¥1,122 million and net income attributable to owners of parent marked ¥790 million. Moreover, consolidated operating cash flows of this financial year end was positive ¥4,369 million and cash and cash equivalents balance at end of period was ¥6,703 million.

We transited to holding company system on Apr.1, 2017 and continuously endeavor to cope with strengthening profitability through strong and profitable corporate body building project. Moreover, we introduced c. Addition to this, supporting system by line banks including commitment line by Resona Bank are sufficient and we will utilize surplus cash in group by using effectively newly introduced group cash management system

By the above, we understand that uncertainty concerning Going concern assumption does not exist.

2. Basic philosophy on selection of accounting standards

Our group's consolidated financial statements have been prepared in accordance with Japanese G.A.A.P. in order to secure the comparability with competitors in Japan.

3. Consolidated financial information

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of Mar. 31, 2016	As of Mar.31, 2017
(Assets)		
Current assets		
Cash and deposits	5,397,972	7,052,055
Trade notes and account receivables	12,342,531	10,866,732
Securities	84,431	48,330
Merchandise and finished goods	278,827	541,522
Work in process	6,621,669	4,168,856
Raw materials and supplies	921,680	963,999
Deferred income taxes	314,518	324,840
Others	935,652	505,288
Allowance for doubtful accounts	-115,906	-95,527
Total current assets	26,781,377	24,376,097
Noncurrent assets		
Tangible fixed assets		
Buildings and structures	3,298,197	3,618,681
Accumulated depreciation	-2,501,499	-2,742,811
Building and structures(net)	796,697	875,869
Machinery, equipment and vehicles	2,054,866	1,867,903
Accumulated depreciation	-1,560,015	-1,439,912
Machinery, equipment and vehicles(net)	494,850	427,990
Tools, equipment and fixtures	3,144,482	2,950,820
Accumulated depreciation	-2,671,446	-2,482,475
Tools, equipment and fixtures(net)	473,035	468,345
Land	3,034,422	3,080,922
Leased assets	131,643	145,805
Accumulated depreciation	-82,081	-72,932
Leased assets(net)	49,562	72,873
Construction in progress account	494,452	520,314
Total tangible fixed assets	5,343,021	5,446,315
Intangible assets		
Goodwill	831,166	692,593
Soft wares	62,397	88,344
Leased assets	19,590	11,681
Telephone subscription rights	19,603	20,716
Patent license	108,000	72,000
Others	9,147	4,921
Total intangible assets	1,049,905	890,256
Investments and other assets		
Investment in securities	1,111,116	1,297,472
Long-term lending	153,446	3,884
Differed income taxes	221,900	203,992
Long-term retention receivables	78,873	171,276
Others	283,164	279,826
Allowance for doubtful accounts	-262,205	-198,593
Total investments and other assets	1,586,295	1,757,859
Total noncurrent assets	7,979,223	8,094,431
Total assets	34,760,600	32,470,528

(Thousands of yen)

	As of Mar. 31, 2016	As of Mar. 31, 2017
Liabilities		
Current liabilities		
Notes and account payable-trade	7,069,728	5,558,427
Short-term loans payable	5,246,947	3,788,223
Current portion of bonds payable	300,000	---
Lease obligations	24,092	30,510
Income taxes payable	425,343	79,324
Provision for bonuses	261,696	375,133
Provision for product warranties	215,322	132,013
Expense payable	400,597	320,588
Advances received	118,813	388,840
Others	306,113	234,355
Total current liabilities	14,368,655	10,907,416
Fixed liabilities		
Bonds payable	700,000	700,000
Long-term loans payable	4,856,093	5,369,270
Expense payable long term	61,853	12,983
Lease obligations	47,761	57,719
Deferred tax payable	71,431	120,423
Provision for directors' retirement benefits	63,853	83,319
Obligations related to retirement benefits	1,015,493	1,067,552
Asset retirement obligation	48,718	71,412
Others	28,442	28,448
Total fixed liabilities	6,893,648	7,511,129
Total liabilities	21,262,303	18,418,546
Net assets		
Shareholders' equity		
Capital stock	2,756,680	2,756,680
Capital surplus	3,582,276	3,586,282
Retained earnings	7,685,048	8,296,798
Treasury stock	-638,014	-638,014
Total shareholders' equity	13,385,991	14,001,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	27,356	68,106
Foreign currency translation adjustment	-163,669	-258,386
Pension liability adjustments	-9,408	-8,867
Total accumulated other comprehensive income	-145,720	-199,147
Subscription rights to shares	31,042	46,982
Non controlling interest	226,983	202,399
Total net assets	13,498,296	14,051,981
Total liabilities and net assets	34,760,600	32,470,528

(2) Consolidated statements of income and comprehensive income

(Consolidated Statements of Income)

(Thousands of yen)

	The previous corresponding period. (Apr.1, 2015 to Mar.31, 2016)	This financial year (Apr.1, 2016 to Mar.31, 2017)
Net sales	25,545,555	29,452,208
Cost of sales	20,684,755	23,826,804
Gross profit	4,860,799	5,625,404
Selling, g&a expenses		
Salary & directors 'compensation	1,477,272	1,575,659
Provision for bonuses	96,472	144,059
Fringe benefit expenses	62,896	60,155
Rent expenses	136,017	142,121
Outsourcing expenses	110,319	116,647
R&D expenses	328,363	489,943
Depreciation	227,948	232,801
Others	1,613,725	1,827,757
Total selling, g&a expenses	4,053,015	4,589,144
Operating income (loss)	807,784	1,036,259
Non-operating income		
Interest income	18,043	18,115
Dividends income	5,060	8,187
Investment securities valuation gains	18,070	---
Rents income	12,599	14,126
Equity in profit of affiliates	72,361	---
Subsidies Income	1,221	625
Others	14,357	134,498
Total non-operating income	141,714	175,554
Non-operating expenses		
Interest expenses	46,479	60,390
Foreign currency exchange loss	140,080	7,700
Factoring fees	---	459
Bond issuance costs	10,058	---
Provision for doubtful accounts	156,120	---
Others	50,291	20,485
Total non-operating losses	403,030	89,036
Ordinary income (loss)	546,468	1,122,777

(Consolidated Statements of Income)

(Thousands of Yen)

	The previous corresponding period. (Apr.1, 2015 to Mar.31, 2016)	This financial year (Apr.1, 2016 to Mar.31, 2017)
Extraordinary income		
Gains on disposal of fixed assets	4,999	6,920
Gains on liquidation of affiliates	17,854	---
Income on negative goodwill	---	20,829
Others	441	7,503
Total extraordinary income	23,296	35,253
Extraordinary loss		
Losses on disposal of fixed assets	11,034	16,922
Loss on valuation of investment securities	14,999	---
Others	480	236
Total extraordinary loss	26,514	17,158
Income (loss) before income tax	543,249	1,140,872
Income taxes	578,062	305,144
Income tax adjustment	-115,465	26,064
Total income tax	462,597	331,208
Net income(loss)	80,652	809,663
Net income attributable to non-controlling interest(loss)	52,621	19,338
Net income attributable to owners of parent(loss)	28,030	790,325

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	The previous corresponding period (Apr.1, 2015 to Mar.31, 2016)	This financial year (Apr.1, 2016 to Mar. 31, 2017)
Income (loss) before minority interests	80,652	809,663
Other comprehensive income		
Valuation difference on available for sale securities	-32,402	41,433
Foreign currency translation adjustment	-133,104	-94,717
Pension liability adjustments	-16,283	540
Total other comprehensive income	-181,791	-52,742
Comprehensive income	-101,139	756,921
(Breakdown)		
Comprehensive income attributable to owners of parent	-153,058	736,898
Comprehensive income attributable to non controlling interests	51,919	20,022

(3) Consolidated Statements of Changes in Net Assets
The previous corresponding period (From Apr.1, 2015 to Mar.31, 2016)

(Thousands of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,756,680	3,582,276	7,838,790	-646,220	13,531,527
Changes during period					
Payout of retained earning			-178,480		-178,480
Net income attributable to owners of parent			28,030		28,030
Acquisition of treasury stock				-92	-92
Disposal of treasury stock			-3,291	8,298	5,007
Net changes during period except shareholders' equity					
Total changes during period			-153,741	8,205	-145,536
Balance at end of period	2,756,680	3,582,276	7,685,048	-638,014	13,385,991

(Thousands of ¥)

	Accumulated Other Comprehensive Income				Subscription wright to share	Non controlling Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustment	Total accumulated other comprehensive income			
Balance beginning at period	59,057	-30,564	6,875	35,367	23,631	177,319	13,767,846
Changes during period							
Payout of retained earning							-178,480
Net income attributable to owners of parent							28,030
Acquisition of treasury stock							-92
Disposal of treasury stock							5,007
Net changes during period except shareholders' equity	-31,700	-133,104	-16,283	-181,088	7,410	49,664	-124,013
Total changes during period	-31,700	-133,104	-16,283	-181,088	7,410	49,664	-269,549
Balance at end of period	27,356	-163,669	-9,408	-145,720	31,042	226,983	13,498,296

This financial period (From Apr.1, 2016 to Mar.31, 2017)

(Thousands of ¥)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of period	2,756,680	3,582,276	7,685,048	-638,014	13,385,991
Changes during period					
Payout of retained earning			-178,575		-178,575
Net income attributable to owners of parent			790,325		790,325
Purchase of shares of Consolidated subsidiaries		4,005			4,005
Net changes during period except shareholders' equity					
Total changes during period		4,005	611,749,005		615,755
Balance at end of period	2,756,680	3,586,282	8,296,798	-638,014	14,001,747

(Thousands of ¥)

	Accumulated Other Comprehensive Income				Subscription right to shares	Minority Interest	Total Net Asset
	Valuation difference on available for sale securities	Foreign currency translation adjustment	Accumulated pension liability adjustments	Total accumulated other comprehensive income			
Balance beginning at period	27,356	-163,669	-9,408	-145,720	31,042	226,983	13,498,296
Changes during period							
Payout of retained earning							-178,575
Net income attributable to owners of parent							790,325
Purchase of shares of consolidated subsidiaries							4,005
Net changes during period except shareholders' equity	40,749	-94,717	540	-53,426	15,940	-24,584	-62,070
Total changes during period	40,749	-94,717	540	-53,426	15,940	-24,584	553,685
Balance at end of period	68,106	-258,386	-8,867	-199,147	46,982	202,399	14,051,981

(4)Consolidated cash flows-1

(Thousands of ¥)

	The Previous Corresponding Period (Apr.1, 2015 to Mar.31, 2016)	This Financial Period (Apr.1,2016 to Mar.31, 2017)
Cash flows from operating activities		
Earnings/(loss)before income taxes	543,249	1,140,872
Depreciation and amortization	450,585	518,944
Increase/(decrease) in allowance for doubtful accounts	241,490	(83,990)
Increase/(decrease) in obligations related to retirement benefits	19,630	52,059
Interest and dividend revenue	(23,104)	(26,303)
Interest paid	46,479	55,582
Foreign currency exchange loss/ (income)	98,867	(8,128)
Income on negative goodwill	---	(20,829)
Equity in earnings/(loss) of affiliated companies	(72,361)	---
Loss/(Income) on disposal of fixed assets	6,034	10,001
(Increase)/decrease in trade receivable	(4,429,223)	2,498,564
Increase /(decrease) of advances received	75,385	167,878
(Increase)/decrease in inventories	(3,999,940)	2,683,771
Increase/(decrease) in trade payable	2,979,315	(2,426,622)
Decrease/(increase)in accrued consumption tax	(456,775)	528,553
(Decrease)/Increase in others	251,815	83,007
Subtotal	(4,268,552)	5,173,360
Receipts from interest and dividends	19,070	22,126
Interest paid	-45,307	-49,861
Income taxes paid	-438,930	-815,960
Refund of paid income tax	18,222	40,226
Cash flows from operating activities	(4,715,497)	4,369,891
Cash flows from investing activities		
Payment for establishment of time deposit.	-292,308	-287,096
Proceeds from drawing of time deposit.	305,991	269,167
Payment for acquisition of tangible fixed asset.	-127,732	-445,146
Proceed from sale of tangible fixed asset	1,508	54,481
Payment for acquisition of intangible asset.	-20,069	-9,755
Payment for acquisition of subsidiary's stock resulting changes in scope of consolidation	---	-323,208
Proceed from acquisition of subsidiary's stock resulting changes in scope of consolidation	593,355	---
Payment for acquisition of investment securities	-952,914	-2,656
Proceed from redemption of investment securities.	---	17,515
Proceed from distribution of investment association	27,780	17,987
Payment for accumulation of insurance reserve fund	---	-1,607
Payment for lending	-3,400,600	-644,443
Payment for acquisition of soft ware	---	-32,008
Proceed from repayment of lending	2,505	379,046
Cash flows from investing activities	(3,862,483)	-1,007,724

Consolidated cash flows-2

(Thousands of ¥)

	The previous corresponding period (Apr.1, 2015 to Mar.31, 2016)	This financial period (Apr.1, 2016 to Mar.31, 2017)
Cash flows from financing activities		
Increase /(Decrease) of short term loans payable	3,220,235	(1,743,437)
Proceeds from long-term loans payable	4,050,000	2,100,000
Repayment for long term loans payable	-1,206,910	-1,617,750
Proceeds from issuing new bonds	700,000	---
Payment for redemption of bonds	-700,000	-300,000
Payment for dividends	-178,480	-178,575
Payment for dividends to non-controlling interest	-2,255	-13,530
(Decrease)/increase in others	-24,682	-25,805
Cash flows from financing activities	5,857,907	-1,779,099
Effect of exchange rate changes on cash and cash equivalents	(90,340)	-35,019
Net increase/(decrease) in cash and cash equivalents	(2,810,415)	1,548,048
Cash and cash equivalents balance at beginning of period	7,966,124	5,155,709
Cash and cash equivalents balance at end of period	5,155,709	6,703,757

(5)Notes on Consolidated Financial Information
(Notes Concerning Going Concern Assumption)

Not applicable

(Changes of accounting policy)

(Adoption of "Practical Solution on a change in depreciation method due to Tax Reform 2016")

We applied "Practical Solution on a change in depreciation method due to Tax Reform 2016" (PITF No.32 on June 17,) from the first quarter of this financial year ended Mar. 31, 2017

As a result of this we have switched the method of depreciation for building and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

As a result of this change, influence to consolidated financial statement of this financial period is little.

(Additional Information)

We applied "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" issued by ASBJ from the first quarter of the fiscal year ended March 2017.

(Segment Information)

【Segment information.】

1. Outline of Reportable Segment

Our corporate reportable segments are the subject to be reviewed regularly in order board of directors to decide the allocation of management resources and review its results and it is possible to get isolated financial information of each segment.

Our operation consists of three segments by products and services based on business divisions and we identify as a reportable segment "Display related business", "Mechatronics related business" and "Cleaning related and other business".

"Display related business" includes manufacturing, sales and maintenance service business of LCD manufacturing related products and precise heat treatment related products. "Mechatronics related business" includes hard disc manufacturing related products, semiconductor manufacturing related products, energy saving and clean energy related products, solar cell manufacturing related products, industrial metering equipment and telemetering and controlling equipment. "Cleaning Related Business" includes manufacturing, sales and maintenance service business of cleaning related products and mold heater related products.

2. Means to measure net sales, profit or loss, assets and other items in each reportable segment

The method used to account for each reportable segment is similar to those applied to prepare consolidated financial statements. Income of reportable segment is the same figure as operating income of each segment.

3. Information's on amount of sales and income or loss in reportable segment

The previous corresponding period (Apr. 1, 2015 to Mar.31, 2016)

(Thousands of Yen)

	Reportable segment			Total	Adjustment Note 1	Posted on consolidated statement of income Note 2
	Display related business	Mechatronics related business	Cleaning related & other business			
Sales						
Sales to outside customer	14,174,001	9,702,614	1,668,939	25,545,555	---	25,545,555
Intersegment sales and transfers	---	---	---	---	---	---
Total	14,174,001	9,702,614	1,668,939	25,545,555	---	25,545,555
Segment income (loss)	304,467	924,346	194,900	1,423,713	(615,929)	807,784
Segment assets	14,439,527	13,314,273	1,436,439	29,190,241	5,570,359	34,760,600
Others						
Depreciation	177,359	249,094	14,398	440,852	9,732	450,585
Increase of tangible asse ts and intang ible assets Note 3	40,279	2,362,566	14,198	2,417,044	---	2,417,044

Notes

- (1) Segment income (loss) adjustment of (¥615,929 thousand) is the corporate expense not apportioned in each reportable segment. Corporate expenses mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.
(2) Segment assets adjustment of ¥5,570,359 thousand is mainly surplus operating assets by parent company and assets of headquarter.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.
- Increase in the amount of tangible fixed assets and intangible fixed assets includes ¥2,167,365 thousand which is increased due to new consolidation.

This financial period (Apr. 1, 2016 to Mar.31, 2017)

(Thousands of Yen)

	Reportable segment			Total	Adjustment Note 1	Posted on consolidated statement of income Note 2
	Display related business	Mechatronic s related business	Cleaning related & other business			
Sales						
Sales to outside customer	13,207,473	14,555,234	1,689,500	29,452,208	---	29,452,208
Intersegment sales and transfers	---	---	---	---	---	---
Total	13,207,473	14,555,234	1,689,500	29,452,208	---	29,452,208
Segment income (loss)	394,198	998,447	291,000	1,683,647	(647,388)	1,036,259
Segment assets	9,115,192	15,648,537	1,583,140	26,346,869	6,123,659	32,470,528
Others						
Depreciation	213,510	277,436	19,547	510,494	8,450	518,944
Increase of tangible assets and intangible assets	94,419	467,469	6,180	568,070	11,642	579,712
Note 3						

Notes

- (1) Segment income (loss) adjustment of (¥647,388 thousand) is the corporate expense not apportioned in each reportable segment. Corporate expenses mainly comprises the headquarters' general and administrative expenses not usually attributed to segments.
(2) Segment assets adjustment of ¥6,123,659 thousand is mainly surplus operating assets by parent company and assets of headquarter.
- Segment income (loss) is adjusted with operating income under consolidated statements of income.
- Increase in the amount of tangible fixed assets and intangible fixed assets includes ¥155,169 thousand which is increased with new consolidation

(Information on per share)

(Yen)

	The previous corresponding financial period (Apr.1, 2015 to Mar.31, 2016)	This financial year (Apr.1, 2016 to Mar.31, 2017)
Net assets per share	1,482.87	1,545.85
Net income per share	3.14	88.51
Net income per share-diluted	3.12	87.88

Note

Calculation base of net income per share is as follows.

	The previous corresponding financial period. (Apr.1, 2015 to Mar.31, 2016)	This financial period (Apr.1, 2016 to Mar.31, 2017)
Net income per share		
Net income attributable to owners (Thousands of ¥)	28,030	790,325
Amount not attributable to shareholders of ordinary stocks (Thousands of ¥)	---	---
Net income attributable to owners of parent of ordinary stocks (Thousands of ¥)	28,030	790,325
Average number of shares issued during financial period (Thousands of share)	8,926	8,928
Net income per share-diluted		
Number of common stocks increased. (Number of stock acquisition rights) (Thousands of share)	52 (52)	64 (64)
Residual securities not included in the calculation of net income per share after adjustment of residual securities as they do not have any diluting effect		---

(Important Subsequent Events)

None