

Consolidated Financial Review

For the Year Ended March 31, 2016 [Japanese GAAP]



May16 2016

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, 2016 (4/01/2015-3/31/2016)

(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, 2016	25,545	53.7	807	2.6	546	-43.5	28	-95.6
Twelve Month ended Mar.31,2015	16,622	14.4	787	84.2	966	76.8	639	-71.3

Note: Comprehensive income

Twelve months ended Mar. 31, 2016 -¥101 million (---)
 Twelve months ended Mar. 31, 2015 ¥741 million (-67.9%)

	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, 2016	Yen 3.14	Yen 3.12	% 0.2	% 1.8	% 3.2
Twelve months ended Mar. 31, 2015	71.72	71.39	4.8	4.1	4.7

Profit/loss on equity method: Twelve month ended Mar.31, 2016: ¥72 million: Twelve month ended Mar.31, 2015: -¥73 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net Assets per Share
	Mil yen	Mil yen	%	Yen
Mar.31,2016	34,760	13,498	38.1	1,482.87
Mar.31,2015	24,707	13,767	54.9	1,521.09

Note: Equity

As of Mar. 31, 2016: ¥13,240 million
 As of Mar. 31, 2015: ¥13,566 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.31,2016	-4,715	-3,862	5,857	5,115
Mar.31,2015	-1,106	-686	-502	7,966

2. Cash Dividends

	Cash dividends per share					Total Cash dividend	Consolidated payout ratio	Dividend on equity consolidated
	1 st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Mil Yen	%	%
Fiscal year ended Mar. 31 2015	---	10.00	---	10.00	20.00	178	27.9	1.3
Fiscal year ended Mar. 31 2016	---	10.00	---	10.00	20.00	178	636.9	1.3
Fiscal year ending Mar. 31 2017 (forecast)	---	10.00	---	10.00	20.00		20.1	

3. Corporate estimates for the year ending March 31, 2017

(% 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 Fiscal year ending Mar. 2017	13,000	17.1	400	-13.3	350	-24.4	230	-2.8	25.76
Mar. 2017	30,000	17.4	1,500	85.7	1,350	147.0	890	---	99.68

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, 2016: 9,674,587 shares As of Mar. 31, 2015: 9,674,587 shares
- ② Number of treasury stock as of end of period
As of Mar. 31, 2016: 745,801 shares As of Mar. 31, 2015: 755,397 shares
- ③ Average number of issued shares outstanding
Twelve months ended Mar. 31 2016: 8,926,445 shares Twelve months ended Mar. 31, 2015 8,919,190 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

① Operating result of this financial period

Regarding the world economic condition of this financial period, it started to move upswing supported by the U.S.A. which economy calmly expanded backed by recovery of employment situation and Europe which economy calmly expanded backed by continuation of quantitative easing policy but later half destabilizing factors occurred such as slowdown of economic growth speed in P.R.C., increasing geopolitical risk in Europe and Middle east and considerable dropdown of oil price.

In Japan, addition to sluggish personal consumption, rapidly yen moved to strong and stock price dropped down and economy future was uncertain.

Under these economic atmospheres, our group has endeavored to develop and commercialize new products which grasp the customers' needs.

As a result, our consolidated business result this financial year, sales amounted to ¥25,545 million (53.7% increased compared to the previous financial year), operating income marked ¥807 million (2.6% increased compared to the previous financial year), ordinary income marked ¥546 million (43.5% decreased compared to the previous financial year), net income attributable to owners of parent marked ¥28 million (95.6% decreased compared to the previous financial year).

Each segment result is as follows. As of this financial period, we have changed reportable segment classification and segment information of the previous corresponding period is the one made by changed new classification.

(Display related business segment)

Heating equipment for LCD panel manufacturing for tablet and smart phone led business and sales went up but some of units of etching equipment made loss and squeezed profit.

As a result, net sales of display related business amounted to ¥14,174 million (61.1% increased compared to the previous financial year), and segment income marked ¥304 million (45.3% decreased compared to the previous financial year).

(Mechatronics related business segment)

We could grasp big order of IC Test Handler and backed by new capital investment by electric power companies due to deregulation of electric power industry, segment business went well.

As a result, net sales of mechatronics related business amounted to ¥9,702 million (51.1% increased compared to the previous financial year), and segment income marked ¥924 million (45.6% increased compared to the previous financial year).

(Cleaning related business)

We stably grasp the customers' needs and mold heater business went well therefore segment business went well.

As a result, this segment sales amounted to ¥1,668 million (18.6% increased compared to the previous financial year) and segment income marked ¥194 million (52.2% increased compared to the previous financial year)

② Forecast of the following financial year

In spite of fear for slowdown of world economy growth speed, in Japan, because of increasing personal consumption backed by employment recovery and increasing foreign travelers, improving economy trend can be seen.

Under these business atmosphere, we will aim to achieve "To establish a magnifying corporate body with profitable corporate body.

We aim to expand synergy effect by strengthen cooperation between group companies which increased recent M&A activities and increase sales by all group work together.

We forecast following financial year as follows, consolidated net sales will be ¥30,000 million, operating income will be ¥1,500 million, ordinary income will be ¥1,350 million and net income will be ¥890 million.

(2) Analysis of financial conditions

① Conditions of assets, liabilities and net assets

Current assets as of end of this consolidated financial year stood at ¥26,781 million increased by ¥7,276 million compared to the previous consolidated financial year end. Main increased items were trade note and accounts receivable by ¥5,264 million, and work in process by ¥3,833 million, and main decreased items were cash and deposits by ¥1,813 million and securities by ¥950 million. Noncurrent assets amounted to ¥7,979 million increased by ¥2,776 million compared to the previous consolidated financial year end. The main factors are an increase of investment in securities by ¥908 million, an increase of goodwill by ¥740 million, an increase of land by ¥466 million and an increase of machinery, equipment and vehicles by ¥409 million.

As a result, total assets as of end of this consolidated financial year stood at ¥34,760 million, increased by ¥10,053 million compared to the previous consolidated financial year end.

Current liabilities as of end of this consolidated financial year stood at ¥14,368 million, increased by ¥7,391 million compared to the previous consolidated financial year end. The increase were mainly due to increase of short term loans payable by ¥3,670 million and notes and account payable-trade by ¥3,480 million. Main decreased item is current portion of bond payable by ¥400 million, Non-current liabilities amounted to ¥6,893 million, increased by ¥2,931 million compared to the previous consolidated financial year end.

The main factors were an increase of long term loans payable by ¥2,425 million and an increase of bonds payable by ¥400 million.

As a result, total liabilities as of end of this consolidated financial year stood at ¥21,262 million, increased by ¥10,322 million compared to the previous consolidated financial year end.

Total net assets as of end of this consolidated financial year amounted to ¥13,498 million decreased by ¥269 million compared to the previous consolidated financial year end.

As a result, equity ratio at the end of this consolidated financial year came to 38.1% and net assets per share came to ¥1,482.87.

②Condition of Cash Flows

Cash and cash equivalent at the end of this financial year was decreased by ¥2,810 million, compared to the end of the previous financial year, to ¥5,155 million.

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

(Cash flows from operating activities)

Cash flows from operating activities was negative ¥4,715 million compared to negative ¥1,106 million in the previous financial year. The main positive factors were ¥2,979 million increase in trade payable, ¥542 million in earnings before income tax and a ¥450 million in depreciation and amortization. The main negative factors were ¥4,429 million increase in trade receivables, ¥3,999 million increase in inventories, and ¥456 increase in prepaid consumption tax and ¥438 million income tax paid.

(Cash flows from investing activities.)

Cash flows from investing activities was negative ¥3,862 million compared to positive ¥686 million in the previous financial year.

The main positive factors are ¥593 million in proceed from acquisition of subsidiary's stock resulting changes in scope of consolidation and ¥305 million in proceeds from drawing of time deposit. The main negative factors were ¥3,400 million in payment for lending, ¥952 million in payment for acquisition of investment securities and ¥292 million in payment for establishment of time deposit.

(Cash flows from financing activities)

Cash flows from financing activities was positive ¥5,857 million compared to positive ¥502 million in the previous financial year. The main positive factors were ¥3,220 million in increase of short-term borrowings, ¥2,843 million in increase of long-term borrowings and ¥700 million in proceeds from issuing bonds. The main negative factors are ¥700 million in payment for redemption of bonds and ¥178 million in payment for dividends.

(Trend of cash flows related indicators)

Cash flows related indicators of our group are as follows

	Financial year ended Mar.31 2012	Financial year ended Mar.31 2013	Financial year ended Mar.31 2014	Financial year ended Mar.31 2015	Financial year ended Mar.31 2016
Equity ratio	43.6%	50.9%	57.6%	54.9%	38.1%
Equity ratio at market Value	24.3%	21.8%	22.9%	23.7%	22.2%
Interest-bearing debt to cash flows ratio (year)	2.5	6.4	---	---	---
Interest coverage ratio (times)	41.0	17.1	---	---	---

Equity ratio: (Equity / Total assets) x 100

Equity ratio at market value: (Market capitalization / Total assets) x 100

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest expenses

(1) All indicators are calculated using financial figures on a consolidated basis.

(2) Market capitalization is calculated based on the following formula:

Closing stock price at fiscal year-end x Number of shares outstanding at fiscal year-end after deduction of treasury stock.

(3) Cash flows from operating activities corresponds to the cash flows from operating activities in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities for which the Company is paying interest among the liabilities reported on the consolidated balance sheet. Interest expenses correspond to the interest paid in the consolidated statement of cash flows.

(4) Interest-bearing debt to cash flows ratio (year) and interest coverage ratio (times) of financial year ended Mar.31, 2014, Mar.31, 2015 and Mar.31, 2016 were not mentioned because cash flows from operating activities are negative.

(3) 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.

(4) Material events concerning Going concern assumption

Our consolidated operating cash flow was negative ¥4,715 million because of trade notes and account receivables at the end of Mar.31, 2016 was increased with increasing sales. As a result, three consecutive years operating cash flow were negative. Addition to this, single base operating income marked -¥601 million, ordinary income marked -¥780 million and net income marked -¥800 million because of mainly some unprofitable equipment order received in Display manufacturing equipment division. Under such a situation, material events concerning Going concern assumption exists. However trade notes and account receivables at the end of Mar.31, 2016 is expected to receive roughly within half a year and we have ¥16,000 million outstanding balance of order backlog and expect to receive surely. Moreover we investigate and analyze cause of unprofitable equipment and have implemented the measures to prevent recurrence with reviewing organization and staff assignment. In April 2016, we have started "Building profitable corporate body" project to strengthen profitability with enough operating income. Addition to these, financial support by correspondent financial institutions including main bank are strong and we are considering to utilize free cash of each group company effectively.

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

2. Overview of YAC Group

YAC group (Y.A.C. Co., Ltd. and affiliate companies) is composed of Y.A.C. Co., Ltd., 15

consolidated subsidiaries and one equity method affiliate and mainly engaging in the business of developing, drawing, manufacturing, selling and providing maintenance service for display related business, mechatronics related business and cleaning and other related business.

The business activities of YAC group companies are as follows.

Business	Positioning of Y.A.C. Co.,Ltd. and its affiliates	
Display related business	Main products are dry and wet etching equipment, annealing equipment, precision heat treatment equipment,	
	Dry and wet etching equipment, annealing equipment and precision heat treatment equipment	Y.A.C. Co., Ltd. develop, draw, manufacture and sell, T.Y.A.C. CORP.and Y.A.C. (Shanghai) International Trade Co., Ltd locally sell and provide maintenance service YAC Denko Co., Ltd. manufacture sell and provide maintenance service of precision heat treatment equipment.
Mechatronics Products related business	Main products are hard disc related polishing apparatus, clean conveyor, semiconductor manufacturing equipment, solar cell manufacturing equipment, industrial metering equipment, telemetering controlling equipment, precise cutting machine and razor process system and embossed carrier tape.	
	Hard disc related equipment, clean conveyor and others	Y.A.C. Co., Ltd. develop, draw, manufacture and sell, and YAC Systems Singapore Pte. Ltd locally manufacture, sell and provide maintenance service
	Semiconductor manufacturing equipment related business	Y.A.C. Co., Ltd., Ohkura Electric Co., Ltd. and YAC Garter Co., Ltd, develop, draw, manufacture, sell and provide maintenance service
	Solar cell manufacturing equipment	Y.A.C. Co., Ltd. develop, draw, manufacture and sell, and T.Y.A.C. CORP. and Y.A.C. (Shanghai) International Trade Co., Ltd. locally sell and provide maintenance service
	Razor process equipment	Y.A.C. Co., Ltd. develop, manufacture, sell and provide maintenance service
	Industrial metering equipment telemetering and controlling equipment	Ohkura Electric Co., Ltd. manufacture sell and provide maintenance service of information transmitter, industrial automation system, distance controlling monitoring system.
	Precise cutting machine	YAC Dastech Co., Ltd. develop, draw, manufacture, sell and provide maintenance service.
	Embossed carrier tape.	YAC Garter Co., Ltd. develop, draw, manufacture and sell,
Cleaning related business	Main products are finisher for shirts and wool materials, bagging system and mold heater.	
	Cleaning related equipment	Y.A.C. Co., Ltd. develop, draw, manufacture, sell, and provide maintenance service and YAC Niigata Seiki Co., Ltd. manufacture main parts. Shaoxing Weiaixin Electronic Equipment Co., Ltd. manufacture for P.R.C. and Y.A.C. (Shanghai) International Trade Co., Ltd. and HYAC Corporation sell and provide maintenance service.
	Mold heater	YAC Kokusaidennetsu Co., Ltd. manufacture sell and provide maintenance service

3. Management Policies.

(1) Basic Management Policy

Since established in 1973, we have held the basic policy to be a R&D oriented company. We will promote our own technology, seek for low cost operation, establishing corporate culture to be a profitable company, attempting to raise employee's motivation and increase the corporate value based on growing with profit. As a result, we contribute to society by confirming employment and paying a suitable tax.

(2) Management Targets

We think that the biggest obligation of management team is to operate management resources efficiently and ensure a stable profit. To aim to realize the above, we cope to reduce production cost and operation cost including reviewing of production systems as a whole corporate task. We aim to obtain high operating income to net sales as one of midterm management target.

(3) Mid-to long-term business strategies

We have been managing the company to become a high profitable corporation by providing high value-added products to customers with introducing new developed products which take customer's needs and utilize our long term stacked technologies.

Especially in the field of display and mechatronics business, we endeavor to expand our business base in the bigger market as a global Asian base supplier and to take profit earning opportunities.

(4) Management Tasks

In the electronics business, which is our group's main business field, smart phone and tablet devices business are growing and the higher processing capability of the LCD flat panel, which is used for manufacturing the parts of smart phone and tablet PC, is required.

Under these circumstances, our group will aggressively cope with expanding the present business, M&A, and corporation with other companies with aiming to enlarge the corporate size and establish high profitable corporate body. Moreover, we endeavor to develop a high value add products and cope with enlarging products line which reply to customers' needs.

Specifically we deal the following subjects.

① To expand business fields

We will expand the business area by increasing our handling products line through developing a new products quickly which reply to customers' needs and M&A or business cooperation. At the same time, we will expand our sales and customer bases by promoting our business to outside mainly to Asian area. We aim to establish corporate body which is not easily affected by recession of industry.

② To expand R&D activities

We have been continuing of developing activities to expand products line up in manufacturing equipment business.in order to reply to customers' diversified request. We aggressively cope with developing new products in crystal liquid panel including organic EL panelt manufacturing area such as annealing equipment and bakeout devicesl, in hard disc business such as the higher capacity burnisher equipment and developing environmentally friendly products like solar cell manufacturing equipment.

③ To reconstruct manufacturing system

In order to respond to destabilization of raw material procurement accompanied by the politics and economic atmosphere changes, always changing management atmosphere and diversified customer's needs, we will endeavor to construct a flexible manufacturing system supported by co-operating companies in domestic and overseas.

④ To strengthen financial conditions

We endeavor to increase cash flow and net assets to strengthen financial conditions, maintain the higher profitable and stable company and expand corporate size.

4. 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.

5. Consolidated financial information

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of Mar. 31, 2015	As of Mar.31, 2016
(Assets)		
Current assets		
Cash and deposits	7,211,589	5,397,972
Trade notes and account receivables	7,077,799	12,342,531
Securities	1,035,126	84,431
Merchandise and finished goods	147,213	278,827
Work in process	2,788,163	6,621,669
Raw materials and supplies	636,700	921,680
Deferred income taxes	241,050	314,518
Others	378,805	935,652
Allowance for doubtful accounts	-11,560	-115,906
Total current assets	19,504,887	26,781,377
Noncurrent assets		
Tangible fixed assets		
Buildings and structures	2,705,236	3,298,197
Accumulated depreciation	-1,988,841	-2,501,499
Building and structures(net)	716,395	796,697
Machinery, equipment and vehicles	354,276	2,054,866
Accumulated depreciation	-269,233	-1,560,015
Machinery, equipment and vehicles(net)	85,042	494,850
Tools, equipment and fixtures	2,381,058	3,144,482
Accumulated depreciation	-2,059,828	-2,671,446
Tools, equipment and fixtures(net)	321,229	473,035
Land	2,568,122	3,034,422
Leased assets	39,064	131,643
Accumulated depreciation	-17,237	-82,081
Leased assets(net)	21,827	49,562
Construction in progress account	542,788	494,452
Total tangible fixed assets	4,255,405	5,343,021
Intangible assets		
Goodwill	90,753	831,166
Soft wares	38,912	62,397
Leased assets	28,433	19,590
Telephone subscription rights	18,638	19,603
Patent license	155,000	108,000
Others	31,407	9,147
Total intangible assets	363,145	1,049,905
Investments and other assets		
Investment in securities	203,071	1,111,116
Long-term lending	92,713	153,446
Differed income taxes	176,458	221,900
Long-term retention receivables	68,168	78,873
Others	140,511	283,164
Allowance for doubtful accounts	-96,768	-262,205
Total investments and other assets	584,156	1,586,295
Total noncurrent assets	5,202,707	7,979,223
Total assets	24,707,595	34,760,600

(Thousands of yen)

	As pf Mar. 31, 2015	As of Mar. 31, 2016
Liabilities		
Current liabilities		
Notes and account payable-trade	3,588,992	7,069,728
Short-term loans payable	1,576,688	5,246,947
Current portion of bonds payable	700,000	300,000
Lease obligations	16,480	24,092
Income taxes payable	265,050	425,343
Provision for bonuses	217,935	261,696
Provision for product warranties	89,241	215,322
Expense payable	248,468	400,597
Advances received	779	118,813
Others	273,968	306,113
Total current liabilities	6,977,604	14,368,655
Fixed liabilities		
Bonds payable	300,000	700,000
Long-term loans payable	2,430,465	4,856,093
Expense payable long term	218,228	61,853
Lease obligations	36,351	47,761
Deferred tax payable	71,747	71,431
Provision for directors' retirement benefits	55,570	63,853
Obligations related to retirement benefits	821,345	1,015,493
Asset retirement obligation	---	48,718
Others	28,436	28,442
Total fixed liabilities	3,962,144	6,893,648
Total liabilities	10,939,748	21,262,303
Net assets		
Shareholders' equity		
Capital stock	2,756,680	2,756,680
Capital surplus	3,582,276	3,582,276
Retained earnings	7,838,790	7,685,048
Treasury stock	-646,220	-638,014
Total shareholders' equity	13,531,527	13,385,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale security	59,057	27,356
Foreign currency translation adjustment	-30,564	-163,669
Pension liability adjustments	6,875	-9408
Total accumulated other comprehensive income	35,367	-145,720
Subscription rights to shares	23,631	31,042
Non controlling interest	177,319	226,983
Total net assets	13,767,846	13,498,296
Total liabilities and net assets	24,707,595	34,760,600

(2) Consolidated statements of income and comprehensive income

(Consolidated Statements of Income)

(Thousands of yen)

	The previous corresponding period. (Apr.1, 2014 to Mar.31, 2015)	This financial year (Apr.1, 2015 to Mar.31, 2016)
Net sales	16,622,957	25,545,555
Cost of sales	12,450,500	20,684,755
Gross profit	4,172,456	4,860,799
Selling, g&a expenses		
Salary & directors 'compensation	1,362,690	1,477,272
Provision for bonuses	48,591	96,472
Fringe benefit expenses	55,281	62,896
Rent expenses	119,634	136,017
Outsourcing expenses	71,524	110,319
R&D expenses	301,428	328,363
Depreciation	227,435	227,948
Others	1,198,533	1,613,725
Total selling, g&a expenses	3,385,120	4,053,015
Operating income (loss)	787,335	807,784
Non-operating income		
Interest income	18,968	18,043
Dividends income	3,862	5,060
Investment securities valuation gains	18,692	18,070
Foreign exchange gains	244,616	---
Rents income	12,157	12,599
Equity profit of affiliates	---	72,361
Subsidies Income	913	1,221
Refund of Trade Duty	744	---
Others	23,079	14,357
Total non-operating income	323,035	141,714
Non-operating expenses		
Interest expenses	33,573	46,479
Foreign currency exchange loss	---	140,080
Factoring fees	70	---
Bond issuance costs	---	10,058
Equity in loss of affiliates	73,045	---
Loan loss provision	---	156,120
Settlement fee	30,000	---
Others	6,704	50,291
Total non-operating losses	143,394	403,030
Ordinary income (loss)	966,977	546,468

(Consolidated Statements of Income)

(Thousands of Yen)

	The previous corresponding period. (Apr.1, 2014 to Mar.31, 2015)	This financial year (Apr.1, 2015 to Mar.31, 2016)
Extraordinary income		
Gains on disposal of fixed assets	144	4,999
Gains on liquidation of affiliates	---	17,854
Income on negative goodwill	2,737	---
Others	---	441
Total extraordinary income	2,881	23,296
Extraordinary loss		
Losses on disposal of fixed assets	2,697	11,034
Loss on valuation of investment securities	4,273	14,999
Others	---	480
Total extraordinary loss	6,971	26,514
Income (loss) before income tax	962,887	543,249
Income taxes	348,491	578,062
Income tax adjustment	-41,466	-115,465
Total income tax	307,025	462,597
Net income(loss)	655,862	80,652
Net income attributable to non-controlling interest(loss)	16,163	52,621
Net income attributable to owners of parent(loss)	639,698	28,030

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	The previous corresponding period (Apr.1, 2014 to Mar.31, 2015)	This financial year (Apr.1, 2015 to Mar. 31, 2016)
Income (loss) before minority interests	655,862	80,652
Other comprehensive income		
Valuation difference on available for sale securities	26,120	-32,432
Foreign currency translation adjustment	58,873	-133,104
Pension liability adjustments	259	-16,283
Total other comprehensive income	85,253	-181,791
Comprehensive income	741,115	-101,168
(Breakdown)		
Comprehensive income attributable to owners of parent	724,391	-153,058
Comprehensive income attributable to non controlling interests	16,724	51,919

(3) Consolidated Statements of Changes in Net Assets
The previous corresponding period (From Apr.1, 2014 to Mar.31, 2015)

(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	7,377,475	-646,220	13,070,212
Changes during period					
Payout of retained earning			-178,383		-178,383
Net income attributable to owners of parent			639,698		639,698
Net changes during period except shareholders' equity					
Total changes during period	---	---	461,315	---	461,315
Balance at end of period	2,756,680	3,582,276	7,838,790	-646,220	13,531,527

	Valuation difference on available for sale securities	Accumulated Other Comprehensive Income			Subscription wright to share	Non controlling Interest	Total Net Asset
		Foreign currency translation adjustment	Accumulated pension liability adjustment	Total accumulated other comprehensive income			
Balance beginning at period	33,498	-89,438	6,615	-49,324	9,856	160,594	13,191,339
Changes during period							
Payout of retained earning							-178,383
Net income attributable to owners of parent							639,698
Net changes during period except shareholders' equity	25,558	58,873	259	84,692	13,775	16,724	115,192
Total changes during period	25,558	58,873	259	84,692	13,775	16,724	576,507
Balance at end of period	59,057	-30,564	6,875	35,367	23,631	177,319	13,767,846

This financial 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

	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	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

(4)Consolidated cash flows-1

	The Previous Corresponding Period (Apr.1, 2014 to Mar.31, 2015)	This Financial Period (Apr.1,2015 to Mar.31, 2016)
1. Cash flows from operating activities		
Earnings/(loss)before income taxes	962,887	543,249
Depreciation and amortization	329,787	450,585
Increase/(decrease) in allowance for doubtful accounts	4,213	241,490
Increase/(decrease) in obligations related to retirement benefits	31,425	19,630
Interest and dividend revenue	(22,831)	(23,104)
Interest paid	33,573	46,479
Foreign currency exchange loss/ (income)	(189,611)	98,867
Income on negative goodwill	(2,737)	---
Equity in earnings/(loss) of affiliated companies	73,045	(72,361)
Loss/(Income) on disposal of fixed assets	2,552	6,034
(Increase)/decrease in trade receivable	(1,320,435)	(4,429,223)
Increase /(decrease) of advances received	(320,927)	75,385
(Increase)/decrease in inventories	(570,692)	(3,999,940)
Increase/(decrease) in trade payable	345,889	2,979,315
Decrease/(increase)in prepaid consumption tax	(203,752)	(456,775)

(Decrease)/Increase in others	(27,622)	251,815
Subtotal	(875,234)	(4,268,552)
Receipts from interest and dividends	38,139	19,070
Interest paid	(33,176)	(45,307)
Income taxes paid	(238,114)	(438,930)
Refund of paid income tax	1,752	18,222
Cash flows from operating activities	(1,106,634)	(4,715,497)
2. Cash flows from investing activities		
Payment for establishment of time deposit.	(313,770)	(292,308)
Proceeds from drawing of time deposit.	339,959	305,991
Payment for acquisition of fixed tangible asset.	(55,660)	(127,732)
Proceed from sale of fixed tangible asset	639	1,508
Payment for acquisition of intangible asset.	(89,878)	(20,069)
Payment for acquisition of business.	(34,627)	---
Payment for acquisition of related company's stock.	(15,000)	---
Payment for acquisition of subsidiary's stock resulting changes in scope of consolidation	(11,549)	---
Proceed from acquisition of subsidiary's stock resulting changes in scope of consolidation	---	593,355
Payment for acquisition of investment securities	---	(952,914)
Proceed from redemption of investment securities.	966,000	---
Proceed from distribution of investment association	50,700	27,780
Payment for lending	(150,100)	(3,400,600)
Proceed from repayment of lending	264	2,505
Cash flows from investing activities	686,977	(3,862,483)

Consolidated cash flows-2

	The previous corresponding period (Apr.1, 2014 to Mar.31, 2015)	This financial period (Apr.1, 2015 to Mar.31, 2016)
3. Cash flows from financing activities		
Increase /(Decrease) of short term borrowings	380,000	3,220,235
Proceeds from long-term borrowings	1,505,000	4,050,000
Payment for long term borrowings	(1,187,342)	(1,206,910)
Proceeds from issuing new stocks		700,000
Payment for redemption of bonds	---	(700,000)
Payment for acquisition of treasury stock	---	
Payment for dividends	(178,383)	(178,480)
Payment for dividends to non-controlling interest	---	(2,255)
(Decrease)/increase in others	(16,991)	(24,682)
Cash flows from financing activities	502,282	5,857,907
4. Effect of exchange rate changes on cash and cash equivalents	76,787	(90,340)
5. Net increase/(decrease) in cash and cash equivalents	159,413	(2,810,415)
6. Cash and cash equivalents balance at beginning of period	7,806,711	7,966,124
7. Cash and cash equivalents balance at end of period	7,966,124	5,155,709

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

Not applicable

(Changes of accounting policy)

We adopted the “Revised Accounting Standard for Business Combinations”

(Accounting Standard Board of Japan (ASBJ) Statement No. 21 of September 13, 2013, hereinafter referred to as the “Business Combinations Accounting Standard”), the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of September 13, 2013, hereinafter referred to as the “Consolidated Financial Statements Accounting Standard”) and the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 of September 13, 2013, hereinafter referred to as the “Business Divestitures Accounting Standard”) as of the first quarter of this fiscal year.

In consequence, the differences arising from the changes in the equity portion for the subsidiaries the Company continues to control are recognized in capital surplus, and costs associated with the acquisition are treated as expenses in the fiscal year in which they incurred. Additionally, for business combinations that are implemented after the beginning of the first quarter of this fiscal year, the revision of acquisition costs allocation due to determination of provisional accounting treatment is reflected in the quarterly consolidated financial statements for the quarter in which the business combination occurred.

Furthermore, we changed the method of presenting quarterly net income and moved “Minority interests” to “Non-controlling interests.”

In order to reflect these changes in representation, we reclassified its quarterly consolidated financial statements for the first quarter of the previous fiscal year and consolidated financial statements for the previous fiscal year.

Changes in description method have been implemented for cash flow statement of the fiscal year ended March 31, 2016, as cash flows related to acquisition or sale of subsidiaries without changes in consolidation scope were provided in the section of cash flows from financing activities while cash flows related to the cost incurred from acquisition or sale of subsidiaries entailing changes in consolidation scope were provided in the section of cash flows from operating activities.

We applied these standards in accordance with the transitional treatment prescribed in Section 58-2 (4) of the Business Combinations Accounting Standard, Section 44-5 (4) of the Consolidated Financial Statements Accounting Standard, and Section 57-4 (4) of the Business

Divestitures Accounting Standard, and continue to apply these standards from the beginning of the first quarter of this fiscal year into the future.

The effect of this change on consolidated financial statements is immaterial

(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.

As of the first quarter of this financial year, we have changed reportable segment classification from the previous two categories such as “Industrial electronics related business” and “Cleaning related business” to present three categories such as “Display related business”, “Mechatronics related business” and “Cleaning related and other business”. Segment information of the previous corresponding period is the one made by changed new classification.

“Display related business” includes manufacturing, sales and maintenance service business of liquid crystal related products and precise heat treatment related products. “Mechatronics related business” include hard disc related products, semiconductor 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. Information on impairment losses of fixed assets and goodwill in reportable segments.

Significant impairment losses related to fixed assets: None

Significant changes in goodwill amount: None

Significant income related to negative goodwill: None

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

The previous corresponding period (Apr. 1, 2014 Mar.31, 2015)

(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	8,795,650	6,419,932	1,407,374	16,622,957	---	16,622,957
Intersegment sales and transfers	---	---	---	---	---	---
Total	8,795,650	6,419,932	1,407,374	16,622,957	---	16,622,957
Segment income (loss)	556,829	634,685	128,039	1,319,554	(532,219)	787,335
Segment assets	7,874,499	7,441,907	1,384,620	16,701,026	8,006,568	24,707,595
Others						
Depreciation	148,637	143,961	27,144	319,743	10,043	329,787
Increase of tangible assets and intangible assets	246,357	119,997	5,214	371,568	2,210	373,778
Note 3						

Notes

- (1) Segment income (loss) adjustment of (¥532,219 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 ¥8,006,568 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 ¥71,665 thousand which is increased due to new consolidation.

This financial 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	Mechatronic s 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	1,502,314	(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 assets and intangibl e assets Note 3	40,279	2,362,566	14,198	2,417,044	---	2,417,044

Notes

- (1) Segment income (loss) adjustment of (¥694,530 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 ¥71,665 thousand which is increased with new consolidation

(Information on per share)

(Yen)

	The previous corresponding financial period (Apr.1, 2014 to Mar.31, 2015)	This financial year (Apr.1, 2015 to Mar.31, 2016)
Net assets per share	1,521.09	1,482.87
Net income per share	71.72	3.14
Net income per share-diluted	71.39	3.12

Notes

- Net income per share-diluted of the previous corresponding financial period is not recorded because there were no residual securities.
- Calculation base of net income per share is as follows.

	The previous corresponding financial period. (Apr.1, 2014 to Mar.31, 2015)	This financial period (Apr.1, 2015 to Mar.31, 2016)
Net income per share		
Net income attributable to owners (Thousands of ¥)	639,698	28,030
Amount not attributable to shareholders of ordinary stocks (Thousands of ¥)	---	---
Net income attributable to owners of parent of ordinary stocks (Thousands of ¥)	639,698	28,030
Average number of shares issued during financial period (Thousands of share)	8,919	8,926
Net income per share-diluted		
Number of common stocks increased. (Number of stock acquisition rights) (Thousands of share)	41 (41)	52 (52)
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)

Not applicable.