

Consolidated Financial Results for the Fiscal Year Ended March 31, 2017
[Japanese GAAP]

Company name:	C. Uyemura & Co., Ltd.	Listing:	Second Section of the Tokyo Stock Exchange
Stock code:	4966	URL:	http://www.uyemura.co.jp/
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Scheduled date of annual general meeting of shareholders:	June 29, 2017		
Scheduled date of filing of annual securities report:	June 29, 2017		
Starting date of dividend payment:	June 30, 2017		
Preparation of supplementary materials for financial results:	Yes		
Holding of financial results meeting:	Yes (for institutional investors and analysts)		

Note: The original disclosure in Japanese was released on May 12, 2017 at 13:20 (GMT +9).

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Results of operations (Percentages for sales and profits represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2017	42,081	(11.5)	5,671	(15.3)	5,720	(14.4)	5,293	24.5
Fiscal year ended Mar. 31, 2016	47,568	2.8	6,698	3.7	6,678	(3.8)	4,250	12.2

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2017: 4,729 (up 54.9%)

Fiscal year ended Mar. 31, 2016: 3,053 (down 58.1%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating profit to sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2017	584.82	-	10.2	8.3	13.5
Fiscal year ended Mar. 31, 2016	466.90	-	8.6	9.7	14.1

Reference: Equity in earnings of unconsolidated subsidiaries (million yen)

Fiscal year ended Mar. 31, 2017: -

Fiscal year ended Mar. 31, 2016: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2017	69,703	53,636	76.4	5,912.84
As of Mar. 31, 2016	67,931	50,522	73.8	5,506.23

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2017: 53,228

As of Mar. 31, 2016: 50,127

(3) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at the end of period
	operating activities	investing activities	financing activities	
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2017	6,635	(407)	(2,067)	27,731
Fiscal year ended Mar. 31, 2016	6,727	45	(2,430)	23,653

2. Dividends

	Dividend per share					Total dividends	Payout ratio (Consolidated)	Dividend on equity (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2016	-	0.00	-	120.00	120.00	1,092	25.7	2.2
Fiscal year ended Mar. 31, 2017	-	0.00	-	140.00	140.00	1,260	23.9	2.5
Fiscal year ending Mar. 31, 2018 (forecast)	-	0.00	-	120.00	120.00		25.3	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	20,520	0.2	3,100	3.3	3,180	13.3	2,170	(8.2)	239.75
Full year	44,660	6.1	6,920	22.0	7,090	23.9	4,290	(19.0)	473.97

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

Newly added: -

Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2017: 9,878,040 shares As of Mar. 31, 2016: 9,878,040 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2017: 875,785 shares As of Mar. 31, 2016: 774,194 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2017: 9,051,277 shares Fiscal year ended Mar. 31, 2016: 9,103,846 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 – March 31, 2017)

(1) Results of operations

(Percentages represent year-over-year changes.)

	Sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2017	21,855	(10.5)	2,091	(7.8)	4,109	(3.5)	3,099	75.7
Fiscal year ended Mar. 31, 2016	24,406	(3.4)	2,269	(9.5)	4,258	(12.0)	1,764	(46.4)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2017	342.43	-
Fiscal year ended Mar. 31, 2016	193.80	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2017	39,957	31,197	78.0	3,465.54
As of Mar. 31, 2016	39,025	29,547	75.7	3,245.56

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2017: 31,197

As of Mar. 31, 2016: 29,547

Reason for the difference between non-consolidated financial results for the fiscal years ended March 31, 2016 and 2017

Actual sales decreased year-over-year due to decline in new contracts of machines as electronics component manufacturers and automotive parts manufacturers have taken a prudent approach to capital investments in the current fiscal year.

Actual profit increased year-over-year because we accounted for loss on valuation of stocks of subsidiaries and affiliates and an increase of income tax-deferred associated with the reversal of deferred tax assets in the previous fiscal year.

***The current financial report is not subject to audit procedures.**

***Cautionary statement with respect to forward-looking statements and other special items**

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company, but are not promises by the Company regarding future performance. Actual results are affected by various factors and may differ substantially. For discussion of the assumptions and notes of caution for usage, please refer to 1. Overview of Results of Operations, (1) Analysis of Results of Operations" on page 2 of the attachments.

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1. Overview of Results of Operations

(1) Analysis of Results of Operations

Results Overview

1. Overall results

The Japanese economy for the current fiscal year under review remained on track to modest recovery as employment conditions and personal income continued improving. However, the future prospects for the economy remained unclear with the slowdown of the Chinese and other emerging economies, and the issues around Brexit, as well as uncertainty of future economic policy of the new U.S. administration.

In the electronic devices market, which is the Uyemura Group's main market area, the production of on-board electronics components increased along with a movement to ensure automotive safety and improved convenience. On the other hand, smartphones, which had been a driver of the market, somewhat slowed its pace of growth as the market adoption of smartphones largely had run its course.

In this management environment, the Group has focused its efforts on thorough cost reductions, development of high value-added products, and proposal and sales activities for these products so as to make the operations more profitable.

As a result, consolidated sales for the current fiscal year amounted to 42,081 million yen (down 11.5% year-over-year), operating profit 5,671 million yen (down 15.3% year-over-year), ordinary profit 5,720 million yen (down 14.4% year-over-year), and profit attributable to owners of parent 5,293 million yen (up 24.5% year-over-year).

Performance by business segment is shown as below.

1) Surface finishing materials business

Sales of plating chemicals for power devices on automobiles and on-board products requiring lubricity were strong. However, sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs decreased due to the production adjustment on the high-end smartphones.

Furthermore, sales of non-ferrous metals, industrial chemicals and other merchandise also decreased year-over-year due to the reduction in unit selling prices in conjunction with a falling market prices of nickel and copper, as well as a downturn in the Chinese and other emerging economies.

Consequently, sales in the surface finishing materials business decreased 10.6% year-over-year to 32,068 million yen, and segment profit decreased 12.4% year-over-year to 6,078 million yen.

2) Surface finishing machinery business

Sales decreased year-over-year due to a decline in new contracts of machines as electronics component manufacturers and automotive parts manufacturers home and abroad have taken a prudent approach to capital investments in response to unclear outlook of the economy. In advanced technology sector, while we worked on the fabrication of plating machinery for semiconductor wafers, segment losses increased as additional work had to be carried out to satisfy the level of technology required by the customer.

Consequently, sales in the surface finishing machinery business decreased 24.4% year-over-year to 4,874 million yen, while there was a segment loss of 807 million yen (compared with a segment loss of 427 million yen in the previous fiscal year).

3) Plating job business

Segment sales declined year-over-year due to the slump in the automobile industry in Thailand and Indonesia. However, segment profit increased as we worked to reduce costs and to improve productivity.

Consequently, sales in the plating job business decreased 1.6% year-over-year to 4,705 million yen, while there was a segment profit of 35 million yen (compared with a segment loss of 222 million yen in the previous fiscal year).

4) Real estate rental business

Both sales and segment profit increased year-over-year due to an improvement in the occupancy rate of the office buildings and also an effort to reduce overhead costs.

Consequently, sales in the real estate rental business increased 0.4% year-over-year to 720 million yen, and segment profit increased 1.8% to 410 million yen.

It is noted that intersegment sales and transfers are included in the above segment sales.

Forecast for the Next Fiscal Year

Regarding the future prospects of the domestic economy, moderate recovery trend is observed backed by improved corporate earnings and employment environment. However, since there are growing uncertainty in the global economy and sluggish personal consumption, unpredictable economic situation is expected to continue.

In the Group's mainstay electronic device market, smartphone production, which has been a driver of the market, is slowing its pace of growth. However, as the number of devices connected to the Internet increases due to the progress of IoT, demand for ultra-small or high reliability components is expected to expand drastically. The production volume of hard disk drives (HDD) is still uncertain due to sluggish demand for personal computers and replacement with solid state drive (SSD). In the car electronics segment, however, the number of advanced driver assistance system (ADAS) and other in-vehicle components are expected to increase, and so are the demand for electronic components.

Under these environment, the Uyemura Group will aim for continued growth in the 21st century. We will optimize the collective strength of our group in order to get well-prepared to take immediate measures in response to business globalization, and we will improve our competitive position by emphasizing innovation at the factory level.

We will proactively engage in marketing and technological development by strengthening development and sales capabilities for the plating chemicals which are used in the semiconductor and car electronics industries and also for those which meet environmental regulations, and at the same time by establishing the machinery business that can deliver new functions to the customers and win the competition for lower cost.

By taking these measures, we forecast sales of 44,660 million yen (up 6.1% year-over-year), operating profit of 6,920 million yen (up 22.0% year-over-year), ordinary profit of 7,090 million yen (up 23.9% year-over-year), and profit attributable to owners of parent of 4,290 million yen (down 19.0% year-over-year) for the fiscal year ending March 31, 2018.

(2) Analysis of Financial Position

Analysis of assets, liabilities, net assets and cash flows

Consolidated financial position

	As of Mar. 31, 2016	As of Mar. 31, 2017	Changes
Total assets (thousands of yen)	67,931,912	69,703,170	1,771,257
Net assets (thousands of yen)	50,522,979	53,636,514	3,113,535
Equity ratio (%)	73.8	76.4	2.6
Net assets per share (yen)	5,506.23	5,912.84	406.61

(Thousands of yen)

	FY3/2016	FY3/2017	Changes
Net cash provided by (used in) operating activities	6,727,457	6,635,920	(91,537)
Net cash provided by (used in) investing activities	45,520	(407,481)	(453,001)
Net cash provided by (used in) financing activities	(2,430,318)	(2,067,359)	362,959
Effect of exchange rate changes on cash and cash equivalents	(375,931)	(82,420)	293,510
Increase (decrease) in cash and cash equivalents	3,966,728	4,078,659	111,930
Cash and cash equivalents at end of period	23,653,188	27,731,847	4,078,659

1) Balance sheet position

Total assets increased 1,771 million yen from the end of the previous fiscal year to 69,703 million yen at the end of the current fiscal year. This was primarily attributable to a 2,695 million yen increase in cash and deposits with banks, a 320 million yen increase in investment securities, and a 263 million yen increase in land, which were partially offset by a 562 million yen decrease in buildings and structures, net, a 161 million yen decrease in raw materials and supplies, and a 152 million yen decrease in notes and accounts receivable-trade.

Total liabilities decreased 1,342 million yen from the end of the previous fiscal year to 16,066 million yen. This was primarily attributable to a 1,266 million yen decrease in long-term deferred tax liabilities, a 319 million yen decrease in electronically recorded obligations-operating, and a 253 million yen decrease in long-term loans payable, which were partially offset by a 266 million yen increase in notes and accounts payable-trade.

Net assets increased 3,113 million yen from the end of the previous fiscal year to 53,636 million yen. This was primarily attributable to a 4,200 million yen increase in retained earnings, which was partially offset by a 768 million yen decrease in foreign currency translation adjustments and a 498 million yen decrease due to acquisition of treasury shares.

As a result, equity ratio increased to 76.4%, an improvement from 73.8% at the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year increased 4,078 million yen from the end of the previous fiscal year to 27,731 million yen.

A summary of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 6,635 million yen (compared with net cash provided of 6,727 million yen in the previous fiscal year). Positive factors included profit before income taxes of 5,681 million yen, depreciation and amortization of 1,929 million yen, and interests and dividends received of 144 million yen, while negative factors included income taxes paid of 1,934 million yen and a 194 million yen increase in notes and accounts receivable-trade.

(Cash flows from investing activities)

Net cash used in investing activities was 407 million yen (compared with net cash provided of 45 million yen in the previous fiscal year). A positive factor was the proceeds from withdrawal of time deposits of 5,597 million yen, while negative factors included payments into time deposits of 4,414 million yen and payment for acquisition of fixed assets of 1,969 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,067 million yen (compared with 2,430 million yen used in the previous fiscal year). Negative factors included cash dividends paid of 1,092 million yen, payment for acquisition of treasury stock of 498 million yen and repayments for long-term loans payable of 373 million yen.

The following table illustrates the movements of cash flow-related indicators

	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017
Shareholders' equity ratio (%)	70.8	70.8	69.3	73.8	76.4
Shareholders' equity ratio based on market prices (%)	60.9	78.4	77.9	64.1	78.3
Cash flows to debt ratio (years)	0.4	0.4	0.4	0.3	0.2
Interest coverage ratio (x)	110.0	177.1	127.3	177.9	318.0

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flows to debt ratio: Interest-bearing liabilities / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

1. These indicators are calculated on a consolidated basis.
2. Market capitalization: Closing price of stock on the balance sheet date x Number of shares outstanding (net of treasury stock) on the balance sheet date.
3. Net cash provided by operating activities on the consolidated statements of cash flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on the consolidated balance sheets that incur interest. Interests paid on the consolidated statements of cash flows are used as interest payments.

(3) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years

As we recognize profit distribution to our shareholders as an important management issue, we will continue stable payment of dividends with the amount linked to operating results as our basic policy while striving to establish a solid management foundation and to increase return on equity.

In accordance with the policy above, we have set the medium to long-term dividend payout target of approximately 25% on a consolidated basis after considering various financial ratios in a comprehensive manner.

We plan to pay a year-end dividend of 140 yen per share, which is a sum of an ordinary dividend of 120 yen per share and a commemorative dividend of 20 yen per share (consolidated dividend payout ratio of 23.9%) for the current fiscal year.

Regarding the fiscal year ending March 31, 2018, we plan to pay an ordinary dividend of 120 yen per share at this moment. However, the final decision will be made based on an overall consideration of financial position and operating results.

(4) Business Risks

We list below those risks that could impact our group's business development. Note that future risks are based on management's judgment as of the end of the current fiscal year under review.

1) Technological innovation

Our group's products are constantly affected by technological innovation in demand industries. A reduction in the weight of surface finishing processes due to the development of new technologies, the adoption of new production methods, or the emergence of new competing products in society and markets, could decrease demand for our group's products.

2) Securing a stable supply of rare raw materials

Some of our group's products use rare raw materials to maintain an advantage over competitors. Our group's competitiveness would be impacted if production of these rare raw materials were to be halted due to a change in strategy at raw materials makers, or legal restrictions, and we were unable to find suitable substitutes.

3) Restrictions on certain raw materials use

The raw materials used in our products, or plating film applications using our group's products, may be restricted by some companies or the government for environmental reasons. This would impact our product sales.

4) Surging materials prices

The prices of all kinds of materials, including raw materials, continue to rise due in large part to growth of the Chinese economy. We may not be able to increase prices to fully match sharp or long-term rises in the prices of mainstay raw materials used in our mainstay products, and this would impact the profitability of these products.

5) Foreign exchange rate fluctuation

Some of our group's transactions, and assets and liabilities, are denominated in foreign currencies. Foreign exchange rate volatility could adversely impact our group's earnings. We are trying to minimize foreign exchange risks by using forward foreign exchange contracts. However, it is not possible to completely eliminate foreign exchange risks.

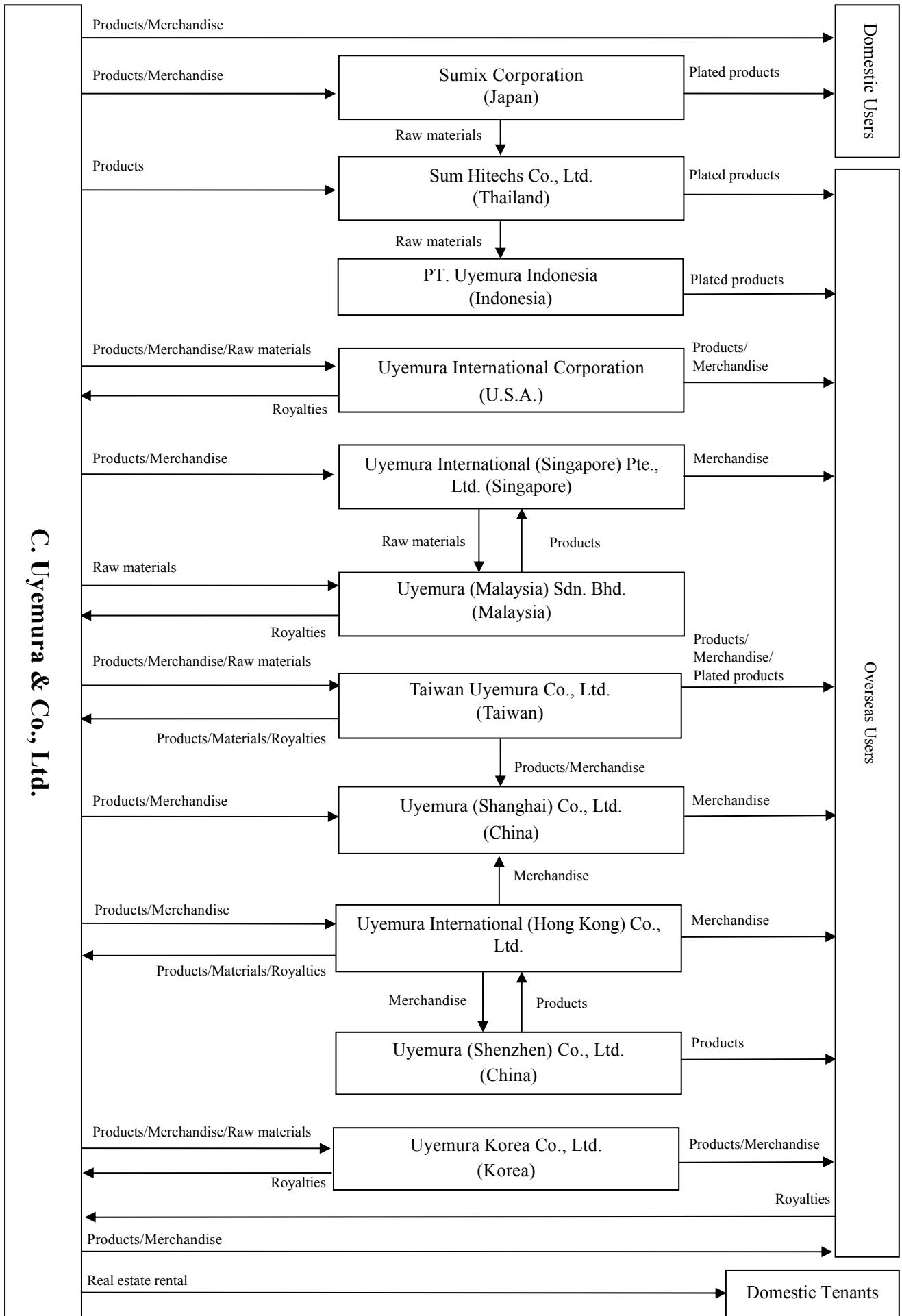
2. Corporate Group

Our group consists of C. Uyemura & Co., Ltd. and 11 subsidiaries which are engaged primarily in the surface finishing materials business (manufacture and marketing of plating chemicals; procurement and marketing of industrial chemicals and non-ferrous metals), the surface finishing machinery business (manufacture and marketing of surface finishing machinery as well as procurement and marketing of surface finishing machinery), the plating job business, and the real estate rental business.

The nature of each business, the positioning of our company and related companies in each particular business, and segmentation of business by category are as follows:

Category	Major products and merchandise	Major company
Surface finishing materials business	Plating chemicals for PWBs (printed wiring boards), plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals, and others	C. Uyemura & Co., Ltd. Uyemura International Corporation Uyemura International (Singapore) Pte., Ltd. Taiwan Uyemura Co., Ltd. Uyemura (Malaysia) Sdn. Bhd. Uyemura International (Hong Kong) Co., Ltd. Uyemura (Shenzhen) Co., Ltd. Uyemura (Shanghai) Co., Ltd. Uyemura Korea Co., Ltd. (Total 9 companies)
Surface finishing machinery business	Plating machinery for PWBs, plating machinery for aluminum magnetic disks, and others	C. Uyemura & Co., Ltd. Uyemura International Corporation Uyemura International (Singapore) Pte., Ltd. Taiwan Uyemura Co., Ltd. Uyemura International (Hong Kong) Co., Ltd. Uyemura (Shenzhen) Co., Ltd. Uyemura (Shanghai) Co., Ltd. (Total 7 companies)
Plating job business	Plastic plating services and PWB plating services	Sumix Corporation Sum Hitech Co., Ltd. Taiwan Uyemura Co., Ltd. PT. Uyemura Indonesia (Total 4 companies)
Real estate rental business	Rental of office buildings and apartment houses	C. Uyemura & Co., Ltd. (Total 1 company)

The following chart on the next page depicts in visual form the business relationships outlined in the table above.



3. Basic Approach to the Selection of Accounting Standards

The Group has a policy of preparing its consolidated financial statements using Japanese GAAP for the time being so as to ensure cross-sectional as well as inter-temporal comparability of the consolidated financial statements.

We will nevertheless consider applying International Financial Reporting Standards (IFRS) in light of future trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

4. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	FY3/2016 (As of Mar. 31, 2016)	FY3/2017 (As of Mar. 31, 2017)
Assets		
Current assets		
Cash and deposits with banks	28,559,208	31,254,565
Notes and accounts receivable-trade	11,428,997	11,276,010
Marketable securities	40,377	38,960
Merchandise and finished goods	1,808,629	2,003,559
Work in process	771,100	726,098
Raw materials and supplies	1,529,009	1,367,844
Deferred tax assets	791,640	976,613
Other current assets	2,553,753	1,792,623
Allowance for doubtful accounts	(45,579)	(56,210)
Total current assets	47,437,138	49,380,066
Fixed assets		
Tangible fixed assets		
Buildings and structures	*1 20,129,516	*1 20,153,872
Accumulated depreciation	(10,565,778)	(11,152,340)
Buildings and structures, net	9,563,737	9,001,532
Machinery and vehicles	9,077,255	9,253,396
Accumulated depreciation	*2 (6,932,522)	*2 (7,000,051)
Machinery and vehicles, net	2,144,732	2,253,345
Land	*1 3,771,683	*1 4,034,830
Lease assets	215,577	220,420
Accumulated depreciation	(95,836)	(114,030)
Lease assets, net	119,740	106,389
Construction in progress	900,928	996,634
Other tangible fixed assets	4,108,583	4,463,226
Accumulated depreciation	*2 (3,148,791)	*2 (3,419,923)
Other tangible fixed assets, net	959,792	1,043,302
Total tangible fixed assets	17,460,615	17,436,034
Intangible assets	429,520	360,424
Investments and other assets		
Investment securities	1,529,839	1,850,579
Net defined benefit asset	49,162	76,469
Deferred tax assets	90,263	138,608
Other investments and other assets	1,011,478	532,930
Allowance for doubtful accounts	(76,104)	(71,943)
Total investments and other assets	2,604,639	2,526,645
Total fixed assets	20,494,774	20,323,104
Total assets	67,931,912	69,703,170

	(Thousands of yen)	
	FY3/2016	FY3/2017
	(As of Mar. 31, 2016)	(As of Mar. 31, 2017)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,727,654	1,994,497
Electronically recorded obligations-operating	2,901,329	2,581,602
Short-term loans payable	*1 851,396	*1 820,000
Current portion of long-term loans payable	399,514	235,167
Lease obligations	51,002	51,814
Income taxes payable	1,912,422	1,904,553
Accrued bonuses	144,671	151,154
Allowance for directors' bonuses	120,200	136,250
Other current liabilities	3,360,950	3,667,002
Total current liabilities	11,469,140	11,542,042
Long-term liabilities		
Long-term loans payable	473,428	220,174
Long-term guarantee deposit	580,317	574,659
Lease obligations	113,280	86,265
Deferred tax liabilities	3,900,650	2,634,092
Allowance for directors' retirement benefits	165,595	179,695
Net defined benefit liability	502,512	622,605
Other long-term liabilities	204,008	207,121
Total long-term liabilities	5,939,792	4,524,613
Total liabilities	17,408,933	16,066,656
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,321,581	1,321,570
Retained earnings	45,802,745	50,003,674
Treasury shares	(2,826,802)	(3,324,935)
Total shareholders' equity	45,634,461	49,337,246
Accumulated other comprehensive income		
Cumulative securities holding gain	675,459	824,565
Foreign currency translation adjustments	3,859,873	3,091,036
Remeasurements of defined benefit plans	(41,970)	(23,958)
Total accumulated other comprehensive income	4,493,363	3,891,642
Non-controlling interests	395,154	407,625
Total net assets	50,522,979	53,636,514
Total liabilities and net assets	67,931,912	69,703,170

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

	(Thousands of yen)	
	FY3/2016	FY3/2017
	(Apr. 1, 2015 – Mar. 31, 2016)	(Apr. 1, 2016 – Mar. 31, 2017)
Sales	47,568,509	42,081,747
Cost of goods sold	*1 30,994,956	*1 26,918,538
Gross profit	16,573,552	15,163,208
Selling, general and administrative expenses		
Packing and transportation	546,455	488,910
Provision of allowance for doubtful accounts	18,818	17,661
Salaries and wages	2,657,663	2,667,477
Bonuses	448,315	436,601
Provision of accrued bonuses	65,889	70,713
Provision of allowance for directors' bonuses	120,200	136,250
Retirement benefit expenses	196,014	185,464
Provision for directors' retirement benefits	14,037	14,100
Telecommunication and traveling expenses	418,856	374,809
Depreciation	442,282	391,307
Tax and public charges	117,961	147,549
R&D expenses	*2 2,149,040	*2 2,014,670
Others	2,679,522	2,545,724
Total selling, general and administrative expenses	9,875,057	9,491,241
Operating profit	6,698,495	5,671,967
Non-operating income		
Interests received	153,136	111,519
Dividends received	33,468	35,635
Gains on valuable resources recovery	47,660	41,970
Subsidy income	34,614	36,537
Other non-operating income	120,611	79,484
Total non-operating income	389,490	305,147
Non-operating expenses		
Interest expense	34,604	24,678
Sales discounts	10,694	6,310
Foreign exchange losses	326,127	188,012
Commission fee	15,455	13,515
Other non-operating expenses	22,301	24,292
Total non-operating expenses	409,184	256,809
Ordinary profit	6,678,800	5,720,304

	(Thousands of yen)	
	FY3/2016	FY3/2017
	(Apr. 1, 2015 – Mar. 31, 2016)	(Apr. 1, 2016 – Mar. 31, 2017)
Extraordinary income		
Gains on sales of fixed assets	*3 90,540	*3 5,061
Compensation income	153,876	-
Total extraordinary income	<u>244,416</u>	<u>5,061</u>
Extraordinary loss		
Loss on disposal and sales of fixed assets	*4 22,420	*4 13,644
Impairment loss	18,982	30,526
Total extraordinary losses	<u>41,403</u>	<u>44,171</u>
Profit before income taxes	<u>6,881,814</u>	<u>5,681,194</u>
Income taxes-current	2,496,305	1,919,963
Income taxes-deferred	79,109	*5 (1,573,478)
Total income taxes	<u>2,575,414</u>	<u>346,485</u>
Profit	<u>4,306,399</u>	<u>5,334,709</u>
Profit attributable to:		
Owners of parent	4,250,571	5,293,390
Non-controlling interests	55,828	41,319
Other comprehensive income		
Cumulative securities holding gain	(19,910)	149,105
Foreign currency translation adjustments	(1,191,064)	(772,650)
Remeasurements of defined benefit plans, net of tax	(42,042)	18,011
Total other comprehensive income	<u>*6 (1,253,016)</u>	<u>*6 (605,533)</u>
Comprehensive income	<u>3,053,383</u>	<u>4,729,176</u>
Comprehensive income attributable to:		
Owners of parent	3,021,248	4,691,669
Non-controlling interests	32,134	37,506

(3) Consolidated Statements of Change in Shareholders' Equity

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,613,659	42,462,559	(2,826,784)	42,586,371
Changes of items during period					
Dividends of surplus			(910,384)		(910,384)
Profit attributable to owners of parent			4,250,571		4,250,571
Purchase of treasury stock				(17)	(17)
Purchase of shares of consolidated subsidiaries		(292,078)			(292,078)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(292,078)	3,340,186	(17)	3,048,090
Balance at end of current period	1,336,936	1,321,581	45,802,745	(2,826,802)	45,634,461

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	695,369	5,027,244	71	5,722,686	1,083,194	49,392,251
Changes of items during period						
Dividends of surplus						(910,384)
Profit attributable to owners of parent						4,250,571
Purchase of treasury stock						(17)
Purchase of shares of consolidated subsidiaries						(292,078)
Net changes of items other than shareholders' equity	(19,910)	(1,167,370)	(42,042)	(1,229,322)	(688,039)	(1,917,362)
Total changes of items during period	(19,910)	(1,167,370)	(42,042)	(1,229,322)	(688,039)	1,130,727
Balance at end of current period	675,459	3,859,873	(41,970)	4,493,363	395,154	50,522,979

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	1,336,936	1,321,581	45,802,745	(2,826,802)	45,634,461
Changes of items during period					
Dividends of surplus			(1,092,461)		(1,092,461)
Profit attributable to owners of parent			5,293,390		5,293,390
Purchase of treasury stock				(498,133)	(498,133)
Purchase of shares of consolidated subsidiaries		(10)			(10)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(10)	4,200,928	(498,133)	3,702,784
Balance at end of current period	1,336,936	1,321,570	50,003,674	(3,324,935)	49,337,246

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Cumulative securities holding gain	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	675,459	3,859,873	(41,970)	4,493,363	395,154	50,522,979
Changes of items during period						
Dividends of surplus						(1,092,461)
Profit attributable to owners of parent						5,293,390
Purchase of treasury stock						(498,133)
Purchase of shares of consolidated subsidiaries						(10)
Net changes of items other than shareholders' equity	149,105	(768,837)	18,011	(601,720)	12,471	(589,249)
Total changes of items during period	149,105	(768,837)	18,011	(601,720)	12,471	3,113,535
Balance at end of current period	824,565	3,091,036	(23,958)	3,891,642	407,625	53,636,514

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Cash flows from operating activities		
Profit before income taxes	6,881,814	5,681,194
Depreciation and amortization	2,060,820	1,929,219
Impairment loss	18,982	30,526
Increase (decrease) in allowance for doubtful accounts	13,461	17,661
Increase (decrease) in allowance for directors' bonuses	600	16,050
Increase (decrease) in net defined benefit liability	101,768	121,405
Decrease (increase) in net defined benefit asset	(6,533)	(9,832)
Increase (decrease) in allowance for directors' retirement benefits	(792)	14,100
Interests and dividends income	(186,604)	(147,154)
Interest expense	34,604	24,678
Losses (gains) on disposal and sales of fixed assets	(68,119)	8,583
Compensation income	(153,876)	-
Decrease (increase) in notes and accounts receivable-trade	1,079,681	(194,004)
Decrease (increase) in inventories	1,163,205	(121,127)
Increase (decrease) in notes and accounts payable-trade	(1,265,977)	(90,297)
Others	(450,328)	1,166,211
Subtotal	9,222,706	8,447,215
Interests and dividends received	187,693	144,227
Interests paid	(37,713)	(20,865)
Proceeds from compensation	153,876	-
Income taxes paid	(2,799,105)	(1,934,656)
Net cash provided by operating activities	6,727,457	6,635,920
Cash flows from investing activities		
Payments into time deposits	(1,907,166)	(4,414,146)
Proceeds from withdrawal of time deposits	3,792,898	5,597,505
Proceeds from withdrawal of long-term deposits with banks	-	500,000
Payment for acquisition of fixed assets	(2,154,854)	(1,969,222)
Proceeds from sales of fixed assets	327,988	18,549
Payment for acquisition of investment securities	(8,007)	(105,273)
Others	(5,338)	(34,892)
Net cash provided by (used in) investing activities	45,520	(407,481)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(91,577)	(23,119)
Proceeds from long-term loans payable	50,000	-
Repayments for long-term loans payable	(394,475)	(373,798)
Repayments for lease obligations	(55,545)	(54,801)
Payment for acquisition of treasury shares	(17)	(498,133)
Payment for acquisition of treasury shares of subsidiaries	(10,326)	-
Cash dividends paid	(910,384)	(1,092,461)
Dividends paid to non-controlling interests	(23,290)	(25,046)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(994,700)	-
Net cash used in financing activities	(2,430,318)	(2,067,359)
Effect of exchange rate changes on cash and cash equivalents	(375,931)	(82,420)
Increase (decrease) in cash and cash equivalents	3,966,728	4,078,659
Cash and cash equivalents at beginning of period	19,686,460	23,653,188
Cash and cash equivalents at end of period	*1 23,653,188	*1 27,731,847

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Basis for Presentation of the Consolidated Financial Statements

1. Scope of consolidation

The number of consolidated subsidiaries: 11

Names of consolidated subsidiaries

Sumix Corporation

Taiwan Uyemura Co., Ltd.

Uyemura International Corporation

Uyemura (Shanghai) Co., Ltd.

Sum Hitechs Co., Ltd.

Uyemura (Malaysia) Sdn. Bhd.

Uyemura International (Singapore) Pte., Ltd.

Uyemura International (Hong Kong) Co., Ltd.

Uyemura (Shenzhen) Co., Ltd.

Uyemura Korea Co., Ltd.

PT. Uyemura Indonesia

2. Application of equity method

The Company has no subsidiaries and affiliates accounted for by the equity method.

3. Closing date of consolidated subsidiaries

Of the consolidated subsidiaries, overseas subsidiaries' fiscal year ends on December 31. Therefore, the financial statements of the overseas consolidated subsidiaries as of their closing date are used herein with necessary adjustments applied for consolidation purposes regarding the important transactions that have occurred between the said closing date, December 31 and the consolidated closing date, March 31.

4. Accounting policies

(1) Valuation standards and method for major assets

1. Marketable securities

1) Trading securities

Valued at the market price, cost of sales that is determined by the moving average method.

2) Other securities

Securities with market quotations

Valued at the market price, using a market value at the end of the fiscal year, differences in valuation to be included in net assets, and cost of securities sold that is determined by the moving average method.

Securities without market quotations

Valued at cost that is determined by the moving average method.

2. Inventories

1) Merchandise

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

2) Finished goods and work in process

Plating chemicals

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

Surface finishing machinery

Primarily valued at cost that is determined by the identification method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

3) Raw materials and supplies

Primarily valued at cost that is determined by the periodic average method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

(2) Depreciation and amortization method for major depreciable assets

1) Tangible fixed assets (excluding lease assets)

The declining balance method is used in the Company and its domestic consolidated subsidiary, while the straight-line method is primarily used in overseas consolidated subsidiaries.

Useful life of principle assets is as follows:

Buildings and structures: 15-50 years

Machinery and vehicles: 2-15 years

2) Intangible assets

Intangible assets are amortized using the straight-line method.

Software for internal use is amortized over an estimated useful period of internal use, which is 3 to 5 years.

3) Lease assets

Lease assets associated with finance lease transactions where there is no transfer of ownership

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

(3) Recognition of major reserves

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are accounted for based on historical write-off ratio for general receivables, and based on case-by-case determination of collectibility for bad receivables and claims in bankruptcy.

2) Accrued bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to employees, an allowance is accounted for a portion accrued for the current fiscal year of the estimated amount of future payment.

3) Allowance for directors' bonuses

In the Company and its domestic consolidated subsidiary, to prepare for the payment of bonus to directors, an allowance is accounted for the estimated bonus obligations in the current fiscal year.

4) Allowance for directors' retirement benefits

In the Company and its domestic consolidated subsidiary, to prepare for the payment of retirement benefits to directors, an allowance is accounted for in the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on directors' retirement benefits.

(4) Accounting method for retirement benefit obligations

i. Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the straight-line method for attributing estimated retirement benefit obligations to periods.

ii. Amortization of actuarial differences

The actuarial differences are mainly amortized and charged to expense in the year following the fiscal year in which such actuarial differences are recognized by the straight-line method over a certain period (12 years) which is within the average length of remaining work period of employees.

iii. Adoption of a simplified method by small-scale companies, etc.

One domestic consolidated subsidiary calculate net defined benefit liability and retirement benefit expenses by using a simplified method in which the retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested retirement benefits at the end of the fiscal year.

(5) Translation of the important assets or liabilities in foreign currency into Japanese currency

The monetary assets and liabilities in foreign currency are translated into Japanese currency based on the spot exchange rate as of the closing date of the current fiscal year, with the conversion difference to be accounted for as profit or loss. The assets and liabilities of overseas consolidated subsidiaries are translated into Japanese currency based on the spot exchange rate as of the closing date of the current fiscal year, and revenue and expenses into Japanese currency based on the average conversion rate throughout the entire

period, with the conversion difference to be accounted for so as to be included in foreign currency translation adjustments and non-controlling interests in the net assets section.

(6) Amortization method and amortization period of goodwill

Goodwill is amortized by the straight-line method over a period of five years.

(7) Definition of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows is composed of 1) cash on hand, 2) bank deposit payable on demand, and 3) short-term investments readily redeemable within six months from the acquisition that has little risk on changes in valuation.

(8) Other important principles for presentation of consolidated financial statements

Consumption taxes

All amounts stated are exclusive of consumption taxes.

Additional Information

Application of Implementation Guidance on Recoverability of Deferred Tax Assets

Effective from the current fiscal year under review, the Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan (ASBJ) Guidance No. 26, March 28, 2016).

Notes to Consolidated Balance Sheets

*1. Assets pledged as collateral and liabilities with collateral

Assets pledged as collateral	(Thousands of yen)	
	FY3/2016 (As of Mar. 31, 2016)	FY3/2017 (As of Mar. 31, 2017)
Buildings and structures	1,603,344	1,524,090
Land	47,200	47,200
Total	1,650,544	1,571,290

Liabilities with collateral	(Thousands of yen)	
	FY3/2016 (As of Mar. 31, 2016)	FY3/2017 (As of Mar. 31, 2017)
Short-term loans payable	400,000	400,000
Total	400,000	400,000

*2. Accumulated depreciation

Amounts of accumulated depreciation include accumulated impairment losses.

Notes to Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

*1. The ending inventory is the amount written down to reflect the effect of lower profit margins. The following loss on valuation of inventories is included in cost of goods sold.

	(Thousands of yen)	
	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
	1,245,687	1,600,861

*2. R&D expenses included in selling, general and administrative expenses

	(Thousands of yen)	
	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
	2,149,040	2,014,670

*3. Gains on sales of fixed assets

(Thousands of yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Buildings and structures	-	1,689
Machinery and vehicles	5,491	1,918
Others	85,048	1,453
Total	90,540	5,061

*4. Losses on disposal and sales of fixed assets

(Thousands of yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Buildings and structures	256	880
Machinery and vehicles	18,618	2,607
Retirement cost	428	6,696
Others	3,118	3,460
Total	22,420	13,644

*5. Tax effect on retained earnings of the subsidiary in Taiwan due to Japan-Taiwan tax agreement

As a result of filing applications for reduced tax rates based on the Japan-Taiwan tax agreement, deferred tax liabilities of 1,393,174 thousand yen on retained earnings of the subsidiary in Taiwan were reversed, and income taxes-deferred decreased by the same amount.

*6. Re-classification adjustments and tax effect with respect to other comprehensive income

(Thousands of yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Cumulative securities holding gain		
Amount incurred during the year	(54,088)	215,466
Re-classification adjustments	-	-
Before tax effect adjustments	(54,088)	215,466
Tax effect	34,178	(66,360)
Cumulative securities holding gain	(19,910)	149,105
Foreign currency translation adjustments		
Amount incurred during the year	(1,191,064)	(772,650)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	(61,681)	17,474
Re-classification adjustments	1,084	8,485
Before tax effect adjustments	(60,596)	25,959
Tax effect	18,554	(7,949)
Remeasurements of defined benefit plans, net of tax	(42,042)	18,011
Total other comprehensive income	(1,253,016)	(605,533)

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2015 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2016 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares (Note)	774,191	3	-	774,194
Total	774,191	3	-	774,194

Note: The number of common shares of treasury stock was increased by 3 shares due to the purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 26, 2015	Common shares	910,384	100	Mar. 31, 2015	Jun. 29, 2015

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2016	Common shares	1,092,461	Retained earnings	120	Mar. 31, 2016	Jun. 30, 2016

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

1. Types and total number of outstanding shares and treasury stock

	Number of shares as of Apr. 1, 2016 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2017 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares (Note)	774,194	101,591	-	875,785
Total	774,194	101,591	-	875,785

Note: The number of common shares of treasury stock was increased by 101,400 shares due to the acquisition of treasury shares resolved at the Board of Directors meeting and by 191 shares due to purchase of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2016	Common shares	1,092,461	120	Mar. 31, 2016	Jun. 30, 2016

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of share	Total amount of dividend (Thousands of yen)	Source of dividend	Dividend per share (Yen)	Record date	Effective date
Annual general meeting of shareholders on Jun. 29, 2017	Common shares	1,260,315	Retained earnings	140	Mar. 31, 2017	Jun. 30, 2017

Notes to Consolidated Statements of Cash Flows

*1. Reconciliation of the balance of cash and cash equivalents at the end of the fiscal year and the amount stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2016	FY3/2017
	(Apr. 1, 2015 – Mar. 31, 2016)	(Apr. 1, 2016 – Mar. 31, 2017)
Cash and deposits with banks	28,559,208	31,254,565
Time deposits maturing with deposit period of more than 6 months	(4,906,020)	(3,522,717)
Cash and cash equivalents	23,653,188	27,731,847

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company has established individual sales divisions that oversee specific product, merchandise and service categories. Each division conducts its business in line with the comprehensive strategy it has devised for products, merchandise and services in both domestic and overseas markets.

The Company's business activities thus comprise of four reportable business segments classified by type and nature of the products, merchandise and services; the surface finishing materials business, the surface finishing machinery business, the plating job business and the real estate rental business.

The surface finishing materials business mainly handles the sale of plating chemicals for PWBs, plating chemicals for aluminum magnetic disks, industrial chemicals, non-ferrous metals and others. The surface finishing machinery business mainly deals with plating machinery for PWBs and plating machinery for aluminum magnetic disks. The plating job business is mainly engaged in plastic plating services and PWB plating services. The real estate rental business generates revenue by renting out office buildings and apartment houses.

2. Calculation method for sales, profit or loss, assets or liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is the same as the methods listed in "Basis for Presentation of the Consolidated Financial Statements."

Intersegment sales and transfer sum are based on market prices.

3. Information related to sales, profit or loss, assets or liabilities, and other items for each reportable segment

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	35,646,135	6,419,789	4,777,920	717,754	47,561,600	6,909	47,568,509	-	47,568,509
Intersegment sales and transfers	237,205	28,870	1,609	-	267,685	-	267,685	(267,685)	-
Total	35,883,341	6,448,660	4,779,529	717,754	47,829,285	6,909	47,836,195	(267,685)	47,568,509
Segment profit (loss)	6,940,093	(427,455)	(222,972)	403,337	6,693,003	5,492	6,698,495	-	6,698,495
Segment assets	35,272,750	7,155,823	8,205,667	2,100,340	52,734,581	-	52,734,581	15,197,330	67,931,912
Other items									
Depreciation	1,166,013	123,883	657,346	113,576	2,060,820	-	2,060,820	-	2,060,820
Amortization of goodwill	18,656	7,995	-	-	26,651	-	26,651	-	26,651
Impairment loss	-	-	-	18,982	18,982	-	18,982	-	18,982
Increase in tangible fixed assets and intangible assets	1,067,302	69,777	879,118	78,633	2,094,831	-	2,094,831	-	2,094,831

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.

(2) The 15,197,330 thousand yen adjustment of segment assets includes -105,714 thousand yen in elimination of inter-segment transactions and corporate assets of 15,303,045 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is equal to operating profit shown on the consolidated financial statements.

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on consolidated financial statements (Note 3)
	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Subtotal				
Sales									
Sales to third parties	31,942,443	4,704,612	4,704,549	720,583	42,072,188	9,559	42,081,747	-	42,081,747
Intersegment sales and transfers	126,128	169,562	554	-	296,245	-	296,245	(296,245)	-
Total	32,068,571	4,874,175	4,705,103	720,583	42,368,433	9,559	42,377,992	(296,245)	42,081,747
Segment profit (loss)	6,078,121	(807,312)	35,971	410,797	5,717,577	7,723	5,725,301	(53,334)	5,671,967
Segment assets	34,853,486	6,711,949	8,094,622	2,414,248	52,074,307	-	52,074,307	17,628,863	69,703,170
Other items									
Depreciation	1,036,468	128,462	653,971	110,317	1,929,219	-	1,929,219	-	1,929,219
Amortization of goodwill	16,733	7,171	-	-	23,904	-	23,904	-	23,904
Impairment loss	-	-	-	30,526	30,526	-	30,526	-	30,526
Increase in tangible fixed assets and intangible assets	980,420	75,373	742,953	409,452	2,208,199	-	2,208,199	-	2,208,199

Notes: 1. The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

2. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.

(2) The 17,628,863 thousand yen adjustment of segment assets includes -43,712 thousand yen in elimination of inter-segment transactions and corporate assets of 17,672,575 thousand yen. Corporate assets mainly include excess funds (cash and deposits with banks) and long-term invested assets (investment securities) of the parent company.

3. Total segment profit (loss) is adjusted with operating profit shown on the consolidated financial statements.

Related information

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
18,784,374	8,132,839	7,305,775	13,345,518	47,568,509

(2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,195,707	3,326,905	2,337,601	3,600,401	17,460,615

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

1. Information by product or service

Omitted because the same information is presented in the segment information section.

2. Information by region

(1) Sales

(Thousands of yen)

Japan	Taiwan	China	Other	Total
16,171,537	7,134,347	6,390,502	12,385,359	42,081,747

(2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,041,360	3,581,615	2,540,168	3,272,889	17,436,034

3. Information about specific customers

Omitted because no single external customer accounts for 10% or more of sales shown on the consolidated statements of income and consolidated statements of comprehensive income.

Information related to impairment losses of fixed assets for each reportable segment

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

Omitted because the same information is presented in the segment information section.

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

Omitted because the same information is presented in the segment information section.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or corporate	Total
Amortization for the period	18,656	7,995	-	-	-	-	26,651
Balance at the end of period	32,522	13,938	-	-	-	-	46,460

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Surface Finishing Materials	Surface Finishing Machinery	Plating Job	Real Estate Rental	Other (Note)	Elimination or corporate	Total
Amortization for the period	16,733	7,171	-	-	-	-	23,904
Balance at the end of period	13,454	5,766	-	-	-	-	19,220

Note: The "Other" business segment consists of activities that are not included in any of the four reportable segments, and its sales include royalty revenues.

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per Share Data

(Yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Net assets per share	5,506.23	5,912.84
Net income per share (basic)	466.90	584.82

Notes: 1. Net income per share (diluted) is not disclosed since there is no dilutive share.

2. Basis for calculation of net assets per share is as follows:

(Thousands of yen)

	FY3/2016 (As of Mar. 31, 2016)	FY3/2017 (As of Mar. 31, 2017)
Total net assets on balance sheets	50,522,979	53,636,514
Deduction from total net assets	395,154	407,625
[of which non-controlling interests]	[395,154]	[407,625]
Net assets applicable to common stock	50,127,824	53,228,889
Number of shares outstanding (common stock)	9,878,040 shares	9,878,040 shares
Number of treasury stock (common stock)	774,194 shares	875,785 shares
Number of common stock used in calculation of net assets per share	9,103,846 shares	9,002,255 shares

3. Basis for calculation of net income per share (basic) is as follows:

(Thousands of yen)

	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)	FY3/2017 (Apr. 1, 2016 – Mar. 31, 2017)
Profit attributable to owners of parent	4,250,571	5,293,390
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	4,250,571	5,293,390
Average number of shares outstanding during period	9,103,846 shares	9,051,277 shares

Material Subsequent Events

Not applicable.

5. Others

Changes in Directors and Auditors

1) Changes in representative director

Not applicable.

2) Changes in other directors and auditors

1. Candidate for director

Director: Yoshiaki Aketa (certified public accountant and certified public tax accountant)

Note: Mr. Yoshiaki Aketa is a candidate for an external director.

2. Candidates for auditor

Auditor (full time): Shinji Inose (currently Head of Internal Audit Office)

Auditor: Toru Iijima (currently Managing Executive Officer and General Manager of Materials Div. of Sumitomo Metal Mining Co., Ltd.)

Note: Mr. Toru Iijima is a candidate for an external auditor.

3. Retiring auditors

Auditor (full time): Masayuki Somete

Auditor: Tetsuro Kono

3) Effective date

June 29, 2017

Note: This report of consolidated financial results is solely a translation of summary of Japanese "Kessan Tanshin" (including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer English translation. All readers are recommended to refer to the original version in Japanese of the report for complete information.