

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016
[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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 Holding of financial results meeting: Yes (for institutional investors and analysts)

Note: The original disclosure in Japanese was released on May 13, 2016 at 14:00 (GMT +9).

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

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

	Sales		Operating income		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	47,568	2.8	6,698	3.7	6,678	(3.8)	4,250	12.2
Fiscal year ended Mar. 31, 2015	46,254	10.0	6,460	18.7	6,944	18.4	3,789	122.2

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2016: 3,053 (down 58.1%)

Fiscal year ended Mar. 31, 2015: 7,286 (up 26.6%)

	Net income per share (basic)	Net income per share (diluted)	ROE	Ordinary profit on total assets	Operating income to sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2016	466.90	-	8.6	9.7	14.1
Fiscal year ended Mar. 31, 2015	416.28	-	8.4	10.8	14.0

Reference: Equity in earnings of unconsolidated subsidiaries (million yen) Fiscal year ended Mar. 31, 2016: -

Fiscal year ended Mar. 31, 2015: -

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	67,931	50,522	73.8	5,506.23
As of Mar. 31, 2015	69,679	49,392	69.3	5,306.44

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 50,127 As of Mar. 31, 2015: 48,309

(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, 2016	6,727	45	(2,430)	23,653
Fiscal year ended Mar. 31, 2015	5,668	(1,983)	(1,319)	19,686

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, 2015	-	0.00	-	100.00	100.00	910	24.0	2.0
Fiscal year ended Mar. 31, 2016	-	0.00	-	120.00	120.00	1,092	25.7	2.2
Fiscal year ending Mar. 31, 2017 (forecast)	-	0.00	-	120.00	120.00		27.5	

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	21,450	(12.9)	3,320	7.4	3,330	6.8	2,070	16.9	227.38
Full year	45,310	(4.7)	7,030	4.9	7,040	5.4	3,970	(6.6)	436.08

*** 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, 2016: 9,878,040 shares As of Mar. 31, 2015: 9,878,040 shares

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

As of Mar. 31, 2016: 774,194 shares As of Mar. 31, 2015: 774,191 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2016: 9,103,846 shares Fiscal year ended Mar. 31, 2015: 9,103,913 shares

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Results of operations

(Percentages represent year-over-year changes)

	Sales		Operating income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2016	24,406	(3.4)	2,269	(9.5)	4,258	(12.0)	1,764	(46.4)
Fiscal year ended Mar. 31, 2015	25,261	13.2	2,508	26.4	4,836	30.8	3,288	208.1

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended Mar. 31, 2016	193.80	-
Fiscal year ended Mar. 31, 2015	361.23	-

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2016	39,025	29,547	75.7	3,245.56
As of Mar. 31, 2015	39,931	28,710	71.9	3,153.71

Reference: Shareholders' equity (million yen) As of Mar. 31, 2016: 29,547 As of Mar. 31, 2015: 28,710

***Indication of audit procedure implementation status**

This summary report is not subject to the audit procedures based on the Financial Instruments and Exchange Act. It is under the audit procedure process at the time of disclosure of this report.

*** 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. Analysis of Business Performance and Financial Position, (1) Analysis of Business Performance" on page 2 of the attachments.

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1. Analysis of Business Performance and Financial Position

(1) Analysis of Business Performance

Results Overview

1. Overall results

The Japanese economy for the current fiscal year under review remained on track to modest recovery as corporate earnings and employment conditions improved thanks to the effect of the economic policy by the government and the monetary policy by the Bank of Japan. However, the future prospects for the economy remained uncertain with concern over downside risks to the world economy such as slowdown of the Chinese economy and falling crude oil prices.

In the electronic devices market, which is the Uyemura Group's main market area, the demand for smartphones continued to be strong enough to drive the market although the pace of growth slowed down slightly as the market adoption of smartphones largely had run its course.

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

As a result, consolidated sales for the current fiscal year amounted to 47,568 million yen (up 2.8% year-over-year), operating income 6,698 million yen (up 3.7% year-over-year), ordinary profit 6,678 million yen (down 3.8% year-over-year), and profit attributable to owners of parent 4,250 million yen (up 12.2% year-over-year).

Performance by business segment is shown as below.

1) Surface finishing materials business

Sales of the mainstay plating chemicals for printed wiring boards (PWBs) and package PWBs increased year-over-year, due to the new demand for wearable terminals on top of the continued strong demand for smartphones despite the weak sales of products for PCs. On the other hand, sales of non-ferrous metals, industrial chemicals and other merchandise decreased year-over-year. This was mainly due to the reduction in unit selling prices in conjunction with a falling market prices of nickel and copper, and a downturn in the Chinese and other emerging economies.

Consequently, sales in the surface finishing materials business decreased 4.6% year-over-year to 35,883 million yen, but segment profit increased 5.1% to 6,940 million yen.

2) Surface finishing machinery business

Sales increased year-over-year due to the improved environment for new contracts of machines as electronics component manufacturers home and abroad have taken a positive approach to capital investments. However, profits decreased year-over-year as a result of additional charges incurred due to a partial delay in acceptance inspection for prototyping machines that were built as an upfront investment to ensure the compatibility with the customers' next-generation models.

Consequently, sales in the surface finishing machinery business increased 40.9% year-over-year to 6,448 million yen, while there was a segment loss of 427 million yen (compared with a segment loss of 404 million yen in the same period of the previous fiscal year).

3) Plating job business

As the consolidated subsidiary in Thailand, which is our main manufacturing base in this segment, has started a plating job for polycarbonate ABS plastics—materials newly used for automobile components, initial costs has incurred to increase the production capacity. Furthermore, the consolidated subsidiary in Indonesia, which was adversely affected by the sluggish domestic production of automobiles, could not achieve the initially planned

volume of production.

Consequently, sales in the plating job business increased 20.4% year-over-year to 4,779 million yen, while there was a segment loss of 222 million yen (compared with a segment loss of 68 million yen in the same period of the previous fiscal year).

4) Real estate rental business

We have achieved a year-over-year increase in both sales and segment profit 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 1.7% year-over-year to 717 million yen, and segment profit increased 8.0% to 403 million yen.

Please note that intersegment sales and transfers are included in the above results for segment.

Forecast for the next fiscal year

Regarding the future prospects of the domestic economy, we expect the recovery of private consumption thanks to the improvement in employment and income environment. On the other hand, there is a growing concern about the impact of the current strong yen and slowdown of emerging economies including China on the performance of export-oriented and other Japanese companies.

Smartphones, which have driven our mainstay electronic devices market, are maturing especially in the US, Europe and Japan, and coming close to saturation in the Chinese market. Therefore, electronic devices market is no longer the powerful source of our growth. Meanwhile, it is expected that with the advent of advanced driving support systems and autopilot cars, electric/electronic components to be installed on cars will increase, which means the intensification of technological race for the new sales channels of these components in the car electronics industry.

In response, 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 45,310 million yen (down 4.7% year-over-year), operating income of 7,030 million yen (up 4.9% year-over-year), ordinary profit of 7,040 million yen (up 5.4% year-over-year), and profit attributable to owners of parent of 3,970 million yen (down 6.6% year-over-year) for the fiscal year ending March 31, 2017.

(2) Analysis of Financial Position

Analysis of assets, liabilities, net assets and cash flows

Consolidated financial position

	As of Mar. 31, 2015	As of Mar. 31, 2016	Differences
Total assets (thousands of yen)	69,679,013	67,931,912	(1,747,101)
Net assets (thousands of yen)	49,392,251	50,522,979	1,130,727
Equity ratio (%)	69.3	73.8	4.5
Net assets per share (yen)	5,306.44	5,506.23	199.79

(Thousands of yen)

	FY3/2015	FY3/2016	Differences
Net cash provided by operating activities	5,668,276	6,727,457	1,059,181
Net cash used in investing activities	(1,983,338)	45,520	2,028,859
Net cash used in financing activities	(1,319,710)	(2,430,318)	(1,110,608)
Effect of exchange rate changes on cash and cash equivalents	809,359	(375,931)	(1,185,290)
Increase (decrease) in cash and cash equivalents	3,174,587	3,966,728	792,141
Cash and cash equivalents at the end of period	19,686,460	23,653,188	3,966,728

1) Balance sheet position

Total assets decreased 1,747 million yen from the end of the previous fiscal year to 67,931 million yen at the end of the current fiscal year. This was primarily attributable to an 1,898 million yen increase in cash and deposits with banks, a 412 million yen increase in construction in progress, which were more than offset by a 1,366 million yen decrease in notes and accounts receivable-trade, a 913 million yen decrease in buildings and structures (net), a 796 million yen decrease in work in process and a 408 million yen decrease in merchandise and finished goods.

Liabilities decreased 2,877 million yen to 17,408 million yen. This was primarily attributable to a 186 million yen increase in deferred tax liabilities (non-current), which were more than offset by a 733 million yen decrease in notes and accounts payable-trade, a 729 million yen decrease in electronically recorded obligations-operating, a 373 million yen decrease in long-term loans payable and a 302 million yen decrease in income taxes payable.

Net assets increased 1,130 million yen to 50,522 million yen. This was primarily attributable to a 3,340 million yen increase in retained earnings, which was partially offset by a 1,167 million yen decrease in foreign currency translation adjustments and a 688 million yen decrease in non-controlling interests.

As a result, equity ratio increased from 69.3% at the end of the previous fiscal year, to 73.8%.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year increased 3,966 million yen from the end of the previous fiscal year to 23,653 million yen.

A summary of cash flows is as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was 6,727 million yen (compared with net cash provided of 5,668 million yen in the previous fiscal year). Positive factors included net income before income taxes of 6,881 million yen, depreciation and amortization of 2,060 million yen, and a 1,163 million yen decrease in inventories and a 1,079 million yen decrease in notes and accounts receivable-trade, while negative factors included income taxes paid of 2,799 million yen and a 1,265 million yen decrease in notes and accounts payable-trade.

(Cash flows from investing activities)

Net cash provided by investing activities was 45 million yen (compared with 1,983 million yen used in the previous fiscal year). A positive factor was the proceeds from withdrawal of time deposits of 3,792 million yen, while negative factors included payment for acquisition of fixed assets of 2,154 million yen and payments into time deposits of 1,907 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 2,430 million yen (compared with 1,319 million yen used in the previous fiscal year). A positive factor was the proceeds from long-term loans payable of 50 million yen, while negative factors included cash dividends paid of 910 million yen, payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation at the amount of 994 million yen and repayments for long-term loans payable of 394 million yen.

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

	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016
Shareholders' equity ratio (%)	69.7	70.8	70.8	69.3	73.8
Shareholders' equity ratio based on market prices (%)	64.0	60.9	78.4	77.9	64.1
Cash flows to debt ratio (years)	0.3	0.4	0.4	0.4	0.3
Interest coverage ratio (x)	109.4	110.0	177.1	127.3	177.9

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 (deduction 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 25% on a consolidated basis after considering various financial ratios in a comprehensive manner.

We plan to pay a year-end dividend of 120 yen per share (consolidated dividend payout ratio of 25.7%) for the current fiscal year in line with initial plan.

Regarding the fiscal year ending March 31, 2017, we plan to pay a regular 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 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, 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.

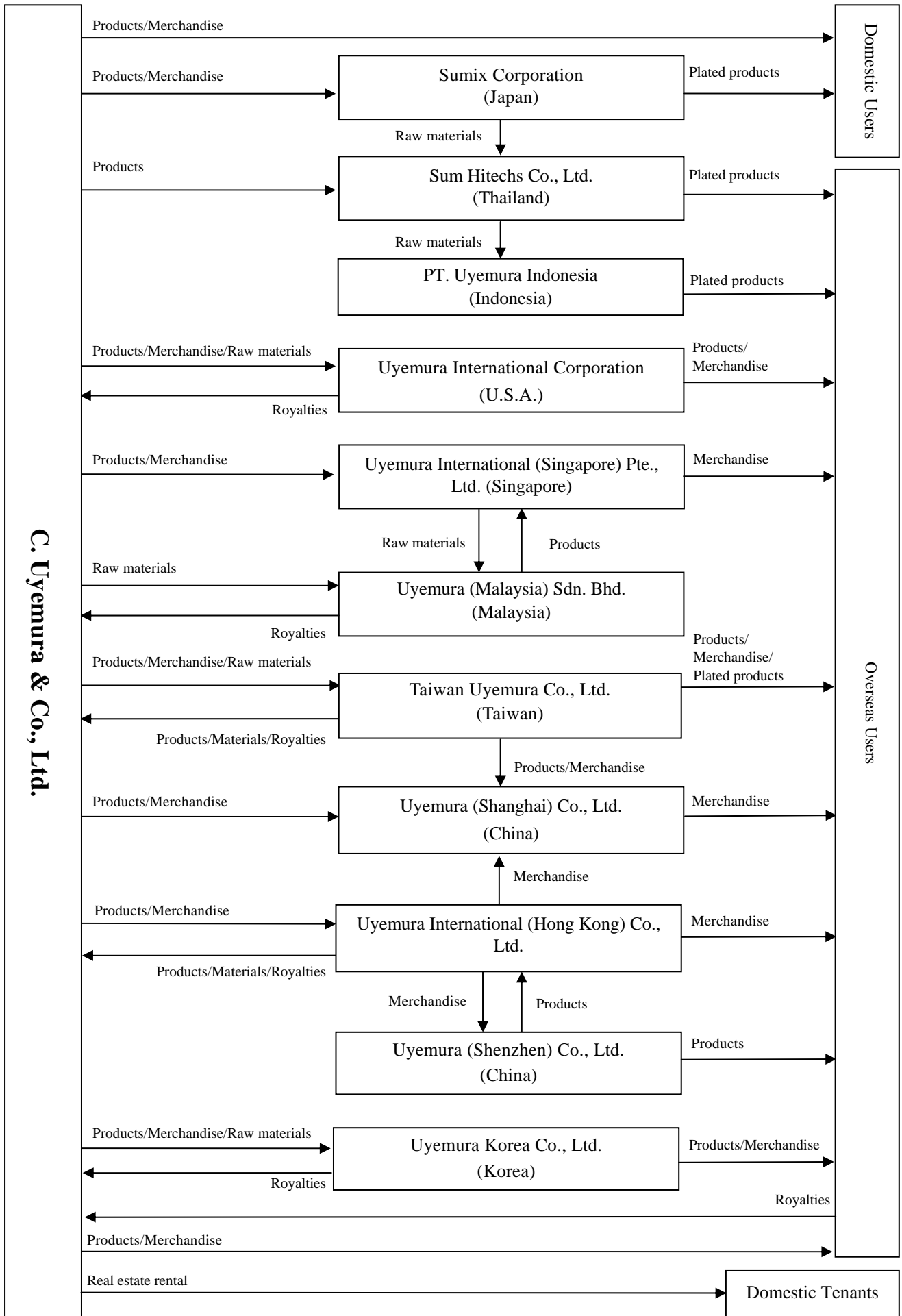
2. Corporate Group

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 depicts in visual form the business relationships outlined in the table above.



3. Management Policies

(1) Fundamental Management Policies

Our group aims to grow along with customers, and this is reflected in our slogan “Growing together with U,” which also emphasizes our intent to carry out a coordinated business strategy on a consolidated basis. To achieve this goal, we aim to leverage the comprehensive strength of our group by establishing a corporate structure that enables us to swiftly and efficiently meet our customers’ needs, and we provide total solutions both hardware and software through development of surface finishing technologies for the latest technology applications. Furthermore, through transparent management, it is an important policy of ours to contribute to society and return profits to shareholders.

(2) Management Benchmarks

Our group will strive to make further efforts to build a globally integrated structure of production, sales and development to create and deliver products that suit market needs, and to ultimately establish the Uyemura Group brand as an internationally recognized group of companies. Also as a leading company in the surface finishing industry we will further expand our business through improving earnings, strengthening efforts to address environmental problems and allocating management resources in a more efficient and concentrated manner.

(3) Mid-Term to Long-Term Business Strategies

We aim for continued growth in the 21st century as a leading company in the surface finishing industry. With emphasis on ‘Selection, concentration, and speed’, we plan to aggressively develop new products, and increase our presence in new markets, particularly in China. Furthermore, we will work on reconstruction of the Central Research Laboratory, our technology development core.

In our business divisions such as chemicals, machinery, controllers, plating job and overseas business development, we will focus on improvement of our collective strength.

On the other hand, we will continue to make efforts to improve operational efficiency and thoroughly reduce costs in each business segment.

We plan to unify the entire Uyemura group, including consolidated subsidiaries, under one vision for the direction of our company, and to solve the various obstacles that lie before us.

(4) Challenges

As technology demanded by the electronic devices market is advancing day by day, it is essential for us to develop new technologies continuously and provide our products in the timing that the market requires. We are resolute in keeping pace with the speed of technological innovation and continuing providing the market with high value-added products that incorporate our unparalleled technology and know-how. The growing importance of plating technology is widely recognized in the cutting-edge technology sectors, the electronics industry and the industry sectors to support the automotive industry. As a member of companies in these industries, we will provide customers in Japan and overseas with advanced total solutions both hardware and software for plating technologies, and develop our business globally.

Under these circumstances, we are now working on following challenges.

- 1) Ensure thorough safety and eco-friendliness
- 2) Ensure thorough compliance
- 3) Put a better research and development environment in place to accelerate its progress
- 4) Implement the initiatives over the next ten and twenty years
- 5) Establish a total solutions business model
- 6) Improve synergies among group companies and divisions
- 7) Explore and examine new overseas manufacturing and sales bases with an eye to the future
- 8) Ensure a quick response to changes in business environment

(5) Other Important Management Items

Not applicable.

4. 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 trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	(Thousands of yen)	
	FY3/2015 (As of Mar. 31, 2015)	FY3/2016 (As of Mar. 31, 2016)
Assets		
Current assets		
Cash and deposits with banks	26,660,261	28,559,208
Notes and accounts receivable-trade	12,795,700	11,428,997
Marketable securities	40,728	40,377
Merchandise and finished goods	2,217,019	1,808,629
Work in process	1,567,892	771,100
Raw materials and supplies	1,601,812	1,529,009
Deferred tax assets	648,810	791,640
Other current assets	2,778,319	2,553,753
Allowance for doubtful accounts	(53,181)	(45,579)
Total current assets	48,257,362	47,437,138
Fixed assets		
Tangible fixed assets		
Buildings and structures	*1 20,448,929	*1 20,129,516
Accumulated depreciation	(9,971,717)	(10,565,778)
Buildings and structures, net	10,477,211	9,563,737
Machinery and vehicles	9,122,082	9,077,255
Accumulated depreciation	*2 (6,570,326)	*2 (6,932,522)
Machinery and vehicles, net	2,551,756	2,144,732
Land	*1 3,751,386	*1 3,771,683
Lease assets	216,538	215,577
Accumulated depreciation	(130,535)	(95,836)
Lease assets, net	86,002	119,740
Construction in progress	488,671	900,928
Other tangible fixed assets	3,840,866	4,108,583
Accumulated depreciation	*2 (2,866,697)	*2 (3,148,791)
Other tangible fixed assets, net	974,169	959,792
Total tangible fixed assets	18,329,199	17,460,615
Intangible assets	394,764	429,520
Investments and other assets		
Investment securities	1,575,920	1,529,839
Net defined benefit asset	104,310	49,162
Deferred tax assets	77,710	90,263
Other investments and other assets	967,542	1,011,478
Allowance for doubtful accounts	(27,796)	(76,104)
Total investments and other assets	2,697,687	2,604,639
Total fixed assets	21,421,651	20,494,774
Total assets	69,679,013	67,931,912

	(Thousands of yen)	
	FY3/2015	FY3/2016
	(As of Mar. 31, 2015)	(As of Mar. 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	2,461,631	1,727,654
Electronically recorded obligations-operating	3,630,403	2,901,329
Short-term loans payable	*1 954,422	*1 851,396
Current portion of long-term loans payable	392,838	399,514
Lease obligations	48,989	51,002
Income taxes payable	2,215,422	1,912,422
Accrued bonuses	146,384	144,671
Allowance for directors' bonuses	119,600	120,200
Other current liabilities	4,414,390	3,360,950
Total current liabilities	14,384,082	11,469,140
Long-term liabilities		
Long-term loans payable	846,782	473,428
Long-term guarantee deposit	578,463	580,317
Lease obligations	92,273	113,280
Deferred tax liabilities	3,714,496	3,900,650
Allowance for directors' retirement benefits	166,387	165,595
Net defined benefit liability	419,559	502,512
Other long-term liabilities	84,718	204,008
Total long-term liabilities	5,902,679	5,939,792
Total liabilities	20,286,762	17,408,933
Net assets		
Shareholders' equity		
Common stock	1,336,936	1,336,936
Capital surplus	1,613,659	1,321,581
Retained earnings	42,462,559	45,802,745
Treasury shares	(2,826,784)	(2,826,802)
Total shareholders' equity	42,586,371	45,634,461
Accumulated other comprehensive income		
Cumulative securities holding gain	695,369	675,459
Foreign currency translation adjustments	5,027,244	3,859,873
Remeasurements of defined benefit plans	71	(41,970)
Total accumulated other comprehensive income	5,722,686	4,493,363
Non-controlling interests	1,083,194	395,154
Total net assets	49,392,251	50,522,979
Total liabilities and net assets	69,679,013	67,931,912

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

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Sales	46,254,631	47,568,509
Cost of goods sold	*1 30,652,831	*1 30,994,956
Gross profit	15,601,800	16,573,552
Selling, general and administrative expenses		
Packing and transportation	484,721	546,455
Provision of allowance for doubtful accounts	14,901	18,818
Salaries and wages	2,382,691	2,657,663
Bonuses	473,183	448,315
Provision of accrued bonuses	69,982	65,889
Provision of allowance for directors' bonuses	119,400	120,200
Retirement benefit expenses	177,100	196,014
Provision for directors' retirement benefits	13,350	14,037
Telecommunication and traveling expenses	411,035	418,856
Depreciation	425,584	442,282
Tax and public charges	98,978	117,961
R&D expenses	*2 2,013,827	*2 2,149,040
Others	2,456,853	2,679,522
Total selling, general and administrative expenses	9,141,609	9,875,057
Operating income	6,460,191	6,698,495
Non-operating income		
Interests received	146,529	153,136
Dividends received	30,041	33,468
Gains on valuable resources recovery	48,624	47,660
Exchange gains	205,550	-
Other non-operating income	125,285	155,225
Total non-operating income	556,030	389,490
Non-operating expenses		
Interest expense	42,582	34,604
Sales discounts	8,874	10,694
Foreign exchange losses	-	326,127
Commission fee	15,107	15,455
Other non-operating expenses	5,093	22,301
Total non-operating expenses	71,657	409,184
Ordinary profit	6,944,564	6,678,800

	(Thousands of yen)	
	FY3/2015	FY3/2016
	(Apr. 1, 2014 – Mar. 31, 2015)	(Apr. 1, 2015 – Mar. 31, 2016)
Extraordinary income		
Gains on sales of fixed assets	*3 62,687	*3 90,540
Compensation received	-	*5 153,876
Total extraordinary income	62,687	244,416
Extraordinary loss		
Loss on disposal and sales of fixed assets	*4 16,528	*4 22,420
Impairment loss	-	18,982
Others	6,970	-
Total extraordinary losses	23,498	41,403
Profit before income taxes	6,983,752	6,881,814
Income taxes-current	2,755,236	2,496,305
Income taxes-deferred	333,387	79,109
Total income taxes	3,088,624	2,575,414
Profit	3,895,128	4,306,399
Profit attributable to:		
Owners of parent	3,789,768	4,250,571
Non-controlling interests	105,360	55,828
Other comprehensive income		
Cumulative securities holding gain	331,461	(19,910)
Foreign currency translation adjustments	3,017,191	(1,191,064)
Remeasurements of defined benefit plans, net of tax	42,560	(42,042)
Total other comprehensive income	*6 3,391,213	*6 (1,253,016)
Comprehensive income	7,286,342	3,053,383
Comprehensive income attributable to:		
Owners of parent	7,076,493	3,021,248
Non-controlling interests	209,848	32,134

(3) Consolidated Statements of Change in Shareholders' Equity

FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)

(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	1,644,653	39,338,168	(2,826,190)	39,493,568
Cumulative effects of changes in accounting policies			153,978		153,978
Restated balance	1,336,936	1,644,653	39,492,147	(2,826,190)	39,647,547
Changes of items during period					
Dividends of surplus			(819,356)		(819,356)
Profit attributable to owners of parent			3,789,768		3,789,768
Purchase of treasury stock				(594)	(594)
Purchase of shares of consolidated subsidiaries		(30,993)			(30,993)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(30,993)	2,970,411	(594)	2,938,823
Balance at end of current period	1,336,936	1,613,659	42,462,559	(2,826,784)	42,586,371

	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	363,908	2,114,541	(42,488)	2,435,961	1,356,673	43,286,203
Cumulative effects of changes in accounting policies						153,978
Restated balance	363,908	2,114,541	(42,488)	2,435,961	1,356,673	43,440,182
Changes of items during period						
Dividends of surplus						(819,356)
Profit attributable to owners of parent						3,789,768
Purchase of treasury stock						(594)
Purchase of shares of consolidated subsidiaries						(30,993)
Net changes of items other than shareholders' equity	331,461	2,912,703	42,560	3,286,725	(273,479)	3,013,245
Total changes of items during period	331,461	2,912,703	42,560	3,286,725	(273,479)	5,952,068
Balance at end of current period	695,369	5,027,244	71	5,722,686	1,083,194	49,392,251

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
Cumulative effects of changes in accounting policies					-
Restated balance	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
Cumulative effects of changes in accounting policies						-
Restated balance	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

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Cash flows from operating activities		
Income before income taxes and non-controlling interests	6,983,752	6,881,814
Depreciation and amortization	1,785,077	2,060,820
Impairment loss	-	18,982
Increase (decrease) in allowance for doubtful accounts	14,901	13,461
Increase (decrease) in allowance for directors' bonuses	25,000	600
Increase (decrease) in net defined benefit liability	70,897	101,768
Decrease (increase) in net defined benefit asset	9,453	(6,533)
Increase (decrease) in allowance for directors' retirement benefits	2,520	(792)
Interests and dividends income	(176,570)	(186,604)
Interest expense	42,582	34,604
Losses (gains) on disposal and sales of fixed assets	(46,158)	(68,119)
Compensation received	-	(153,876)
Decrease (increase) in notes and accounts receivable-trade	(1,222,621)	1,079,681
Decrease (increase) in inventories	(1,271,928)	1,163,205
Increase (decrease) in notes and accounts payable-trade	784,875	(1,265,977)
Others	505,359	(450,328)
Subtotal	7,507,142	9,222,706
Interests and dividends received	175,171	187,693
Interests paid	(44,526)	(37,713)
Proceeds from compensation	-	153,876
Income taxes paid	(1,969,509)	(2,799,105)
Net cash provided by operating activities	5,668,276	6,727,457
Cash flows from investing activities		
Payments into time deposits	(1,931,043)	(1,907,166)
Proceeds from withdrawal of time deposits	1,303,783	3,792,898
Payment for acquisition of fixed assets	(1,434,022)	(2,154,854)
Proceeds from sales of fixed assets	139,488	327,988
Payment for acquisition of investment securities	(7,219)	(8,007)
Others	(54,325)	(5,338)
Net cash used in investing activities	(1,983,338)	45,520
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	164,354	(91,577)
Proceeds from long-term loans payable	220,068	50,000
Repayments for long-term loans payable	(296,455)	(394,475)
Repayments for lease obligations	(61,768)	(55,545)
Payment for acquisition of treasury stock	(594)	(17)
Payment for acquisition of treasury stock of subsidiaries	(469,001)	(10,326)
Cash dividends paid	(819,356)	(910,384)
Dividends paid to non-controlling interests	(32,980)	(23,290)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(23,976)	(994,700)
Net cash used in financing activities	(1,319,710)	(2,430,318)
Effect of exchange rate changes on cash and cash equivalents	809,359	(375,931)
Increase (decrease) in cash and cash equivalents	3,174,587	3,966,728
Cash and cash equivalents at beginning of period	16,511,873	19,686,460
Cash and cash equivalents at end of period	*1 19,686,460	*1 23,653,188

(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

At the consolidated subsidiaries, overseas subsidiaries' fiscal year end on December 31. Therefore, the financial statements of the overseas 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 consolidation 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 being 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 being determined by the moving average method.

Securities without market quotations

Valued at cost being determined by the moving average method.

2. Inventories

1) Merchandise

Primarily valued at cost being 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 being 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 being 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 being 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 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 subsidiaries are translated into Japanese currency based on the spot exchange rate as of their closing date respectively, 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.

Reclassifications

(Changes in conjunction with the application of accounting standards for business combinations)

In association with the application of the provisions set forth in Clause 39 of the “Accounting Standard for Consolidated Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 22, September 13, 2013), the presentation of profit and other items has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the previous fiscal year have been revised.

Notes to Consolidated Balance Sheets***1. Assets pledged as collateral and liabilities with collateral**

	(Thousands of yen)	
	FY3/2015 (As of Mar. 31, 2015)	FY3/2016 (As of Mar. 31, 2016)
Assets pledged as collateral		
Buildings and structures	1,679,698	1,603,344
Land	47,200	47,200
Total	1,726,898	1,650,544
Liabilities with collateral		
	FY3/2015 (As of Mar. 31, 2015)	FY3/2016 (As of Mar. 31, 2016)
Short-term loans payable	500,000	400,000
Total	500,000	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 sales.

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
	687,860	1,245,687

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

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
	2,013,827	2,149,040

*3. Gains on sales of fixed assets

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	6,204	-
Machinery and vehicles	18,380	5,491
Land	23,856	-
Others	14,245	85,048
Total	62,687	90,540

*4. Losses on disposal and sales of fixed assets

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Buildings and structures	1,844	256
Machinery and vehicles	1,244	18,618
Retirement cost	7,073	428
Others	6,366	3,118
Total	16,528	22,420

*5. Compensation income

The Company has reported compensation income to reflect the fact that it received compensation payment for the damage incurred as a result of purchasing certain defective raw materials.

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

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Cumulative securities holding gain		
Amount incurred during the year	462,874	(54,088)
Re-classification adjustments	-	-
Before tax effect adjustments	462,874	(54,088)
Tax effect	(131,412)	34,178
Cumulative securities holding gain	331,461	(19,910)
Foreign currency translation adjustments		
Amount incurred during the year	3,017,191	(1,191,064)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the year	54,055	(61,681)
Re-classification adjustments	12,073	1,084
Before tax effect adjustments	66,129	(60,596)
Tax effect	(23,568)	18,554
Remeasurements of defined benefit plans, net of tax	42,560	(42,042)
Total other comprehensive income	3,391,213	(1,253,016)

Notes to Consolidated Statements of Changes in Shareholders' Equity

FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)

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

	Number of shares as of Apr. 1, 2014 (Shares)	Increase (Shares)	Decrease (Shares)	Number of shares as of Mar. 31, 2015 (Shares)
Outstanding shares				
Common shares	9,878,040	-	-	9,878,040
Total	9,878,040	-	-	9,878,040
Treasury stock				
Common shares	774,080	111	-	774,191
Total	774,080	111	-	774,191

Note: The number of common shares of treasury stock was increased due to the purchase of odd-lot share (111 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. 27, 2014	Common shares	819,356	90	Mar. 31, 2014	Jun. 30, 2014

(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. 26, 2015	Common shares	910,384	Retained earnings	100	Mar. 31, 2015	Jun. 29, 2015

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	774,191	3	-	774,194
Total	774,191	3	-	774,194

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

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 of each period stated in the consolidated balance sheets

	(Thousands of yen)	
	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Cash and deposits with banks	26,660,261	28,559,208
Time deposits maturing with deposit period of more than 6 months	(6,973,801)	(4,906,020)
Cash and cash equivalents	19,686,460	23,653,188

Financial Instruments

1. Conditions of financial instruments

It is the Group's policy that investments of funds are limited to bank deposits and other equivalents, and financing is obtained through bank borrowings. Derivatives are used only for the purpose of avoiding risks of certain assets and liabilities exposed to market fluctuations, and speculative transactions are not carried out.

Credit risk of customers in conjunction with notes and accounts receivable-trade are adequately controlled in accordance with Credit Control Rules to reduce risk.

Marketable securities and investment securities consists primarily of equity securities. The Company regularly monitors fair value and financial condition of the issuers (business partners) of these securities.

Derivatives transactions consist primarily of forward exchange contracts to avoid the fluctuation risk of foreign exchange rates and interest rates. We consider that there is no significant credit risk arising from the transactions because all of the counterparties of derivative transactions are highly-rated banks.

2. Fair value of financial instruments

The carrying value, fair value, and their differences are shown as follows. However, financial instruments, whose fair value is deemed to be extremely difficult to measure, are not included. (Please refer to Note 2 below.)

FY3/2015 (As of Mar. 31, 2015)

	(Thousands of yen)		
	Carrying value	Fair value	Unrealized gain (loss)
(1) Cash and deposits with banks	26,660,261	26,660,261	-
(2) Notes and accounts receivable-trade	12,795,700	12,795,700	-
(3) Marketable securities and investment securities	1,606,116	1,606,116	-
Assets total	41,062,078	41,062,078	-
(1) Notes and accounts payable-trade	2,461,631	2,461,631	-
(2) Electronically recorded obligations-operating	3,630,403	3,630,403	-
(3) Short-term loans payable	954,422	954,422	-
(4) Income taxes payable	2,215,422	2,215,422	-
(5) Long-term loans payable*	1,239,621	1,248,366	8,745
(6) Long-term guarantee deposit	578,463	435,862	(142,601)
Liabilities total	11,079,963	10,946,108	(133,855)

* "(5) Long-term loans payable" include current portions of long-term loans payable.

FY3/2016 (As of Mar. 31, 2016)

(Thousands of yen)

	Carrying value	Fair value	Unrealized gain (loss)
(1) Cash and deposits with banks	28,559,208	28,559,208	-
(2) Notes and accounts receivable-trade	11,428,997	11,428,997	-
(3) Marketable securities and investment securities	1,559,684	1,559,684	-
Assets total	41,547,890	41,547,890	-
(1) Notes and accounts payable-trade	1,727,654	1,727,654	-
(2) Electronically recorded obligations-operating	2,901,329	2,901,329	-
(3) Short-term loans payable	851,396	851,396	-
(4) Income taxes payable	1,912,422	1,912,422	-
(5) Long-term loans payable*	872,942	878,394	5,451
(6) Long-term guarantee deposit	580,317	505,855	(74,461)
Liabilities total	8,846,062	8,777,052	(69,009)

*“(5) Long-term loans payable” include current portions of long-term loans payable.

Note 1: Matters concerning determination of fair value of financial instruments and marketable securities

Assets

(1) Cash and deposits with banks, (2) Notes and accounts receivable-trade

Fair value of the financial instruments in these categories is deemed to be equal to their carrying amount because they are settled within a short period of time.

(3) Marketable securities and investment securities

For fair value of the financial instruments in these categories, stocks are valued based on their prices on securities exchanges.

Liabilities

(1) Notes and accounts payable-trade, (2) Electronically recorded obligations-operating, (3) Short-term loans payable, (4) Income taxes payable

Fair value of the financial instruments in this category is deemed to be equal to their carrying amount because they are settled within a short period of time.

(5) Long-term loans payable

Fair value of long-term loans payable in this category is determined by calculating present value obtained by discounting the combined value of principal and interest by the interest rate assumed were the Company to borrow new money.

(6) Long-term guarantee deposit

Fair value of long-term guarantee deposit is determined by calculating present value that is obtained by discounting the face amount based on a reasonably estimated date of repayment using the risk free rate adjusted to reflect the credit risk.

Note 2: Financial instruments whose fair value is deemed to be extremely difficult to measure.

(Thousands of yen)

Item	FY3/2015 (As of Mar. 31, 2015)	FY3/2016 (As of Mar. 31, 2016)
Unlisted stock	10,533	10,533

These instruments are not included in “(3) Marketable securities and investment securities” because there is no market price and the fair value is deemed to be extremely difficult to determine.

Investment and Rental Property

The Group owns office buildings for rent and apartment houses (including land) for rent in Osaka. In the fiscal year ended March 31, 2015, the Company's net profit on investment and rental property was 373,296 thousand yen (705,798 thousand yen rent revenue was posted to sales while 332,501 thousand yen rent expenses to cost of sales.) In the fiscal year ended March 31, 2016, the Group's net profit on investment and rental property was 403,337 thousand yen (717,754 thousand yen rent revenue was posted to sales while 314,416 thousand yen rent expenses to cost of sales.)

Carrying value, differences and fair value of investment and rental property are as follows.

(Thousands of yen)

		FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Carrying value	Balance at beginning of period	2,370,756	2,425,934
	Differences	55,178	(56,622)
	Balance at end of period	2,425,934	2,369,311
Fair value at end of period		7,749,729	8,104,183

Notes: 1. The carrying value is the amount of acquisition costs, net of accumulated depreciation and accumulated impairment loss.

2. The fair value for major properties at end of period is based on the amount determined by inspection reports prepared by an independent, external real-estate appraiser.

However, if there has been no significant change in appraised amounts or indicators that are deemed to reflect the market price appropriately since the most recent date of appraisal, those appraised amounts or amounts adjusted in accordance with the indicators are used as the fair value.

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 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

FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)

(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	37,403,150	4,168,008	3,970,793	705,798	46,247,751	6,880	46,254,631	-	46,254,631
Intersegment sales and transfers	195,132	408,205	375	-	603,713	-	603,713	(603,713)	-
Total	37,598,282	4,576,214	3,971,169	705,798	46,851,465	6,880	46,858,345	(603,713)	46,254,631
Segment profit (loss)	6,605,274	(404,481)	(68,781)	373,296	6,505,308	5,651	6,510,960	(50,769)	6,460,191
Segment assets	36,894,286	6,940,251	9,101,211	2,161,488	55,097,237	-	55,097,237	14,581,776	69,679,013
Other items									
Depreciation	1,026,590	97,459	540,301	120,725	1,785,077	-	1,785,077	-	1,785,077
Amortization of goodwill	16,291	6,981	-	-	23,273	-	23,273	-	23,273
Impairment loss	-	-	-	-	-	-	-	-	-
Increase in tangible fixed assets and intangible assets	703,688	134,361	599,661	161,204	1,598,916	-	1,598,916	-	1,598,916

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

2. (1) Adjustment of segment profit (loss) includes elimination of inter-segment transactions.
- (2) The 14,581,776 thousand yen adjustment of segment assets includes -133,222 thousand yen in elimination of inter-segment transactions and corporate assets of 14,714,998 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 income shown on the consolidated financial statements.

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	1,229,585	131,236	661,107	113,576	2,135,506	-	2,135,506	-	2,135,506
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 loyalty 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 adjusted with operating income shown on the consolidated financial statements.

Related information

FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)

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
18,313,242	7,498,555	6,504,444	13,938,389	46,254,631

(2) Tangible fixed assets

(Thousands of yen)

Japan	Taiwan	Thailand	Other	Total
8,499,987	3,553,957	2,360,165	3,915,089	18,329,199

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.

FY3/2016 (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.

Related Party Information

Transaction with related parties

Transaction between the Company and related parties

Directors of the Company, major individual shareholders, etc.

FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)

Type	Name	Address	Capital contribution (Thousands of yen)	Business or occupation	Voting power	Relationships	Type of transaction	Transaction amount (Thousands of yen)	Account	Year-end balance (Thousands of yen)
Company, etc. with majority voting rights owned by director or his immediate relatives	Naniwa Shokusan Co., Ltd. (Note 1)	Tennouji-ku, Osaka	40,000	Casualty insurance agency	(Owned) Direct 25.00%	Payment of casualty insurance, receipt of real estate leasing, concurrent directors	Payment of casualty insurance (Note 2)	89,642	Prepaid expenses	57,252
							Income from real estate leasing (Note 2)	861	Advances received	57
							Other (Note 2)	240	-	-

Notes: Transaction conditions and policies regarding transaction conditions

1. Naniwa Shokusan Co., Ltd. is a company wholly and directly owned by the Company's director Hiroya Uyemura and his immediate relatives.
2. Refer to market price.

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

Type	Name	Address	Capital contribution (Thousands of yen)	Business or occupation	Voting power	Relationships	Type of transaction	Transaction amount (Thousands of yen)	Account	Year-end balance (Thousands of yen)
Company, etc. with majority voting rights owned by director or his immediate relatives	Naniwa Shokusan Co., Ltd. (Note 1)	Tennouji-ku, Osaka	40,000	Casualty insurance agency	(Owned) Direct 25.00%	Payment of casualty insurance, receipt of real estate leasing, concurrent directors	Payment of casualty insurance (Note 2)	88,150	Prepaid expenses	56,671
							Income from real estate leasing (Note 2)	639	Advances received	57
							Other (Note 2)	240	-	-

Notes: Transaction conditions and policies regarding transaction conditions

1. Naniwa Shokusan Co., Ltd. is a company wholly and directly owned by the Company's director Hiroya Uyemura and his immediate relatives.
2. Refer to market price.

Per Share Data

(Yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Net assets per share	5,306.44	5,506.23
Net income per share (basic)	416.28	466.90

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

(Thousands of yen)

	FY3/2015 (As of Mar. 31, 2015)	FY3/2016 (As of Mar. 31, 2016)
Total net assets on balance sheets	49,392,251	50,522,979
Deduction from total net assets	1,083,194	395,154
[of which non-controlling interests]	[1,083,194]	[395,154]
Net assets applicable to common stock	48,309,057	50,127,824
Number of shares outstanding (common stock)	9,878,040 shares	9,878,040 shares
Number of treasury stock (common stock)	774,191 shares	774,194 shares
Number of common stock used in calculation of net assets per share	9,103,849 shares	9,103,846 shares

3. Basis for calculation of net income per share (basic)

(Thousands of yen)

	FY3/2015 (Apr. 1, 2014 – Mar. 31, 2015)	FY3/2016 (Apr. 1, 2015 – Mar. 31, 2016)
Profit attributable to owners of parent	3,789,768	4,250,571
Amount not available to common shareholders	-	-
Profit attributable to common shareholders of parent	3,789,768	4,250,571
Average number of shares outstanding during period	9,103,913 shares	9,103,846 shares

Material Subsequent Events

Not applicable.

6. Others**Changes in Directors**

Not applicable.

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.