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Consolidated Financial Results for the Year Ended March 31, 2018 [Japanese GAAP]

May 11, 2018

Company name: Daido Metal Co., Ltd.
Stock exchange listing: Tokyo, Nagoya
Code number: 7245

URL: <http://www.daidometal.com>

Representative: Seigo Hanji

Contact: Keiichi Kogure

Phone: +81-52-205-1400

Scheduled date of Annual General Meeting of Shareholders: June 28, 2018

Scheduled date of commencing dividend payments: June 29, 2018

Scheduled date of filing annual securities report: June 28, 2018

Availability of supplementary briefing material on annual financial results: Yes

The briefing session of the Financial Results for FY2017: Yes (For Analysts and Institutional Investors)

Chairman and Chief Executive Officer
Managing Executive Officer
Head of Corporate and Financial Planning Division

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 01, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	106,648	25.4	6,511	27.6	6,708	23.6	3,281	24.5
March 31, 2017	85,073	4.5	5,103	(28.3)	5,427	(20.1)	2,635	(32.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥ 6,541 million [204.9%]
Fiscal year ended March 31, 2017: ¥ 2,145 million [192.2%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	82.42	-	6.9	4.2	6.1
March 31, 2017	66.19	-	5.9	3.9	6.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: ¥ 164 million
Fiscal year ended March 31, 2017: ¥ 49 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2018	161,366	57,940	30.6	1,239.54
March 31, 2017	155,331	52,964	29.1	1,136.00

(Reference) Net assets less non-controlling interests: As of March 31, 2018: ¥ 49,352 million
As of March 31, 2017: ¥ 45,231 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	11,186	(12,331)	(53)	11,866
March 31, 2017	9,801	(30,821)	20,679	12,827

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	15.00	-	15.00	30.00	1,194	45.3	2.7
March 31, 2018	-	15.00	-	15.00	30.00	1,194	36.4	2.5
Fiscal year ending								
March 31, 2019 (Forecast)	-	15.00	-	15.00	30.00		25.4	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 01, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended									
September 30, 2018	52,500	2.8	2,800	29.4	2,900	30.6	1,800	149.4	45.20
Full year	107,000	0.3	6,700	2.9	6,900	2.9	4,700	43.2	118.04

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)
 Exclusion: - (Company name:)

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2018: 44,956,853 shares

March 31, 2017: 44,956,853 shares

2) Total number of treasury shares at the end of the period:

March 31, 2018: 5,141,640 shares

March 31, 2017: 5,140,926 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2018: 39,815,647 shares

Fiscal Year ended March 31, 2017: 39,816,180 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 01, 2017 to March 31, 2018)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2018	66,413	4.8	1,851	(31.3)	3,475	(22.8)	2,398	-
March 31, 2017	63,345	(2.0)	2,695	(29.7)	4,500	(15.0)	(577)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended				
March 31, 2018	60.24		-	
March 31, 2017	(14.49)		-	

(2) Non-consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	Net assets per share
	Million yen		Million yen		%	Yen
As of						
March 31, 2018	104,954		42,002		40.0	1,054.94
March 31, 2017	102,831		40,707		39.6	1,022.40

(Reference) Net Assets: As of March 31, 2018: ¥ 42,002 million
As of March 31, 2017: ¥ 40,707 million

* Numbers in parentheses denote negative numbers.

* This financial result is not required to be audited by certified public accountants or audit firm.

* Explanation of appropriate use of earnings projections, other explanatory notes

Future prospects are prepared as information purpose only, based on the information available to us at this moment, and are under certain condition which we assumed reasonable. We will not guarantee the realization of such prospects, and actual performance fluctuates due to various factors.

* The Company finalized the provisional accounting treatment for the business combination of ATA Casting Technology Japan Co., Ltd. in the period ended March 31, 2018. Consolidated financial statements for the previous period ended March 31, 2017 and related financial ratios are restated for the resulting revision of previously allocated cost of acquisition.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	14,203,589	13,672,237
Notes and accounts receivable - trade	25,031,493	27,782,964
Electronically recorded monetary claims - operating	1,910,597	2,455,024
Merchandise and finished goods	9,355,428	10,913,287
Work in process	8,072,136	8,538,349
Raw materials and supplies	5,327,629	6,327,888
Deferred tax assets	1,760,952	1,904,692
Other	2,478,271	2,184,794
Allowance for doubtful accounts	(38,966)	(51,512)
Total current assets	68,101,132	73,727,725
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,728,311	35,997,192
Accumulated depreciation	(16,803,250)	(18,314,556)
Buildings and structures, net	17,925,061	17,682,636
Machinery, equipment and vehicles	85,300,055	90,296,137
Accumulated depreciation	(58,373,111)	(63,418,047)
Machinery, equipment and vehicles, net	26,926,944	26,878,089
Land	10,135,052	10,801,359
Leased assets	4,119,793	7,085,287
Accumulated depreciation	(743,174)	(1,504,762)
Leased assets, net	3,376,619	5,580,524
Construction in progress	4,506,277	2,921,126
Other	6,269,188	6,733,320
Accumulated depreciation	(5,208,825)	(5,649,845)
Other, net	1,060,362	1,083,475
Total property, plant and equipment	63,930,317	64,947,211
Intangible assets		
Goodwill	10,264,422	9,650,993
Leased assets	82,142	79,940
Other	5,691,434	5,354,744
Total intangible assets	16,037,999	15,085,677
Investments and other assets		
Investment securities	4,301,571	4,777,944
Long-term loans receivable	275,765	290,276
Net defined benefit asset	17,311	194,176
Deferred tax assets	1,458,003	1,132,050
Other	1,257,964	1,259,966
Allowance for doubtful accounts	(48,987)	(48,838)
Total investments and other assets	7,261,630	7,605,576
Total non-current assets	87,229,947	87,638,466
Total assets	155,331,080	161,366,191

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,696,298	8,337,038
Electronically recorded obligations - operating	8,143,777	9,544,312
Short-term loans payable	38,001,952	27,755,900
Current portion of long-term loans payable	5,122,048	9,545,278
Lease obligations	778,877	929,411
Income taxes payable	989,741	1,251,789
Provision for bonuses	1,673,670	1,835,027
Provision for directors' bonuses	121,100	128,800
Provision for product compensation	335,736	291,946
Electronically recorded obligations - non-operating	2,401,527	479,201
Other	7,251,125	6,065,225
Total current liabilities	73,515,855	66,163,931
Non-current liabilities		
Long-term loans payable	15,623,481	23,295,342
Lease obligations	3,785,811	4,275,602
Deferred tax liabilities	2,346,135	2,519,857
Provision for environmental measures	27,483	20,094
Net defined benefit liability	6,518,116	6,457,872
Asset retirement obligations	17,720	17,720
Negative goodwill	2,159	1,626
Other	529,513	673,207
Total non-current liabilities	28,850,422	37,261,323
Total liabilities	102,366,277	103,425,254
Net assets		
Shareholders' equity		
Capital stock	7,273,178	7,273,178
Capital surplus	8,821,705	8,821,705
Retained earnings	32,576,356	34,663,572
Treasury shares	(1,421,594)	(1,422,361)
Total shareholders' equity	47,249,645	49,336,094
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,145,635	1,316,307
Foreign currency translation adjustment	(1,114,666)	557,965
Remeasurements of defined benefit plans	(2,049,572)	(1,857,530)
Total accumulated other comprehensive income	(2,018,603)	16,742
Non-controlling interests	7,733,760	8,588,099
Total net assets	52,964,802	57,940,936
Total liabilities and net assets	155,331,080	161,366,191

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Net sales	85,073,690	106,648,857
Cost of sales	62,982,252	78,848,892
Gross profit	22,091,438	27,799,964
Selling, general and administrative expenses		
Freightage expenses	1,896,464	2,548,326
Business consignment expenses	1,219,307	1,434,226
Directors' compensations	444,208	481,622
Salaries and allowances	3,926,158	5,017,787
Provision for bonuses	441,367	552,297
Provision for directors' bonuses	121,100	128,800
Provision for product compensation	422,834	277,372
Retirement benefit expenses	378,342	373,610
Welfare expenses	954,357	1,101,484
Depreciation	663,344	872,019
Rent expenses	448,386	840,527
Research and development expenses	1,765,348	1,855,360
Other	4,306,242	5,805,328
Total selling, general and administrative expenses	16,987,463	21,288,763
Operating profit	5,103,974	6,511,201
Non-operating income		
Interest income	70,615	85,704
Dividend income	56,362	73,317
Amortization of negative goodwill	533	533
Share of profit of entities accounted for using equity method	49,645	164,883
Gain on sales of scraps	536,134	705,029
Other	409,996	387,300
Total non-operating income	1,123,288	1,416,768
Non-operating expenses		
Interest expenses	455,314	768,391
Foreign exchange losses	101,518	157,068
Other	242,766	293,827
Total non-operating expenses	799,599	1,219,287
Ordinary profit	5,427,663	6,708,682
Extraordinary income		
Subsidy income	200,000	-
Total extraordinary income	200,000	-
Extraordinary losses		
Impairment loss	2,449,581	141,465
Total extraordinary losses	2,449,581	141,465
Profit before income taxes	3,178,081	6,567,217
Income taxes - current	1,714,694	2,221,490
Income taxes - deferred	(1,086,477)	217,393
Total income taxes	628,216	2,438,883
Profit	2,549,864	4,128,333
Profit (loss) attributable to non-controlling interests	(85,894)	846,643
Profit attributable to owners of parent	2,635,759	3,281,690

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Profit	2,549,864	4,128,333
Other comprehensive income		
Valuation difference on available-for-sale securities	286,183	182,346
Foreign currency translation adjustment	(1,256,042)	1,969,266
Remeasurements of defined benefit plans, net of tax	461,432	208,488
Share of other comprehensive income of entities accounted for using equity method	104,153	53,044
Total other comprehensive income	(404,272)	2,413,146
Comprehensive income	2,145,592	6,541,479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,370,778	5,317,036
Comprehensive income attributable to non-controlling interests	(225,185)	1,224,443

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2017

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,273,178	8,821,612	31,055,453	(1,421,016)	45,729,227
Changes of items during period					
Dividends of surplus			(1,114,856)		(1,114,856)
Profit attributable to owners of parent			2,635,759		2,635,759
Purchase of treasury shares				(577)	(577)
Change in ownership interest of parent due to transactions with non-controlling interests		92			92
Net changes of items other than shareholders' equity					
Total changes of items during period	-	92	1,520,902	(577)	1,520,417
Balance at end of current period	7,273,178	8,821,705	32,576,356	(1,421,594)	47,249,645

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	886,829	(159,513)	(2,480,938)	(1,753,622)	8,172,639	52,148,245
Changes of items during period						
Dividends of surplus						(1,114,856)
Profit attributable to owners of parent						2,635,759
Purchase of treasury shares						(577)
Change in ownership interest of parent due to transactions with non-controlling interests						92
Net changes of items other than shareholders' equity	258,806	(955,153)	431,365	(264,981)	(438,878)	(703,860)
Total changes of items during period	258,806	(955,153)	431,365	(264,981)	(438,878)	816,557
Balance at end of current period	1,145,635	(1,114,666)	(2,049,572)	(2,018,603)	7,733,760	52,964,802

For the fiscal year ended March 31,2018

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,273,178	8,821,705	32,576,356	(1,421,594)	47,249,645
Changes of items during period					
Dividends of surplus			(1,194,473)		(1,194,473)
Profit attributable to owners of parent			3,281,690		3,281,690
Purchase of treasury shares				(766)	(766)
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,087,216	(766)	2,086,449
Balance at end of current period	7,273,178	8,821,705	34,663,572	(1,422,361)	49,336,094

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,145,635	(1,114,666)	(2,049,572)	(2,018,603)	7,733,760	52,964,802
Changes of items during period						
Dividends of surplus						(1,194,473)
Profit attributable to owners of parent						3,281,690
Purchase of treasury shares						(766)
Change in ownership interest of parent due to transactions with non-controlling interests						-
Net changes of items other than shareholders' equity	170,671	1,672,632	192,041	2,035,346	854,338	2,889,684
Total changes of items during period	170,671	1,672,632	192,041	2,035,346	854,338	4,976,134
Balance at end of current period	1,316,307	557,965	(1,857,530)	16,742	8,588,099	57,940,936

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Cash flows from operating activities		
Profit before income taxes	3,178,081	6,567,217
Depreciation	6,751,876	8,795,120
Impairment loss	2,449,581	141,465
Amortization of goodwill	219,671	969,553
Amortization of negative goodwill	(533)	(533)
Share of loss (profit) of entities accounted for using equity method	(49,645)	(164,883)
Increase (decrease) in allowance for doubtful accounts	(19,024)	10,382
Increase (decrease) in provision for bonuses	60,007	159,973
Increase (decrease) in provision for directors' bonuses	(14,700)	7,700
Increase or decrease in net defined benefit asset and liability	40,955	(5,368)
Increase (decrease) in provision for environmental measures	(1,522)	(7,389)
Interest and dividend income	(126,978)	(159,021)
Subsidy income	(200,000)	(50,352)
Interest expenses	455,314	768,391
Decrease (increase) in notes and accounts receivable - trade	(1,702,092)	(2,620,326)
Decrease (increase) in inventories	(1,061,803)	(2,559,524)
Increase (decrease) in notes and accounts payable - trade	1,432,843	643,333
Increase (decrease) in accrued consumption taxes	(43,946)	151,179
Increase (decrease) in other liabilities	930,284	157,760
Other, net	(908,306)	804,488
Subtotal	11,390,064	13,609,164
Interest and dividend income received	124,188	158,823
Proceeds from dividend income from entities accounted for using equity method	81,984	74,866
Proceeds from subsidy income	400,000	50,352
Interest expenses paid	(460,438)	(773,204)
Income taxes paid	(1,734,314)	(1,933,994)
Net cash provided by (used in) operating activities	9,801,485	11,186,007

(Thousand yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Cash flows from investing activities		
Payments into time deposits	(1,758,288)	(3,182,785)
Proceeds from withdrawal of time deposits	1,184,448	2,815,477
Purchase of investment securities	(31,988)	(36,951)
Proceeds from sales of investment securities	3	-
Purchase of property, plant and equipment	(9,884,163)	(11,516,639)
Proceeds from sales of property, plant and equipment	27,788	39,064
Purchase of intangible assets	(398,211)	(386,155)
Payments of loans receivable	(27,388)	(63,623)
Collection of loans receivable	45,254	31,572
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(19,932,099)	-
Other, net	(46,646)	(31,504)
Net cash provided by (used in) investing activities	(30,821,291)	(12,331,546)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	26,677,859	(10,722,312)
Proceeds from long-term loans payable	1,100,000	17,347,000
Repayments of long-term loans payable	(7,582,474)	(5,205,978)
Proceeds from sales and leasebacks	2,142,717	1,094,490
Repayments of finance lease obligations	(298,310)	(1,026,163)
Purchase of treasury shares	(577)	(766)
Cash dividends paid	(1,114,148)	(1,192,956)
Dividends paid to non-controlling interests	(245,786)	(347,113)
Proceeds from share issuance to non-controlling shareholders	16	1
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(46)	-
Net cash provided by (used in) financing activities	20,679,249	(53,799)
Effect of exchange rate change on cash and cash equivalents	(208,259)	238,551
Net increase (decrease) in cash and cash equivalents	(548,816)	(960,787)
Cash and cash equivalents at beginning of period	13,376,114	12,827,298
Cash and cash equivalents at end of period	12,827,298	11,866,510

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	2,385,984	2,311,836
Notes receivable - trade	451,397	539,956
Accounts receivable - trade	17,726,711	19,066,365
Electronically recorded monetary claims - operating	2,003,038	2,501,018
Merchandise and finished goods	1,558,352	1,935,665
Work in process	3,343,947	3,556,008
Raw materials and supplies	1,578,716	2,018,117
Prepaid expenses	166,015	138,208
Deferred tax assets	874,947	966,733
Short-term loans receivable from subsidiaries and associates	1,200,000	1,600,000
Accounts receivable - other	3,473,264	2,153,394
Other	157,262	89,550
Allowance for doubtful accounts	(400)	(400)
Total current assets	34,919,237	36,876,457
Non-current assets		
Property, plant and equipment		
Buildings	6,535,004	6,286,730
Structures	609,834	569,531
Machinery and equipment	6,112,558	5,825,894
Vehicles	7,662	13,838
Tools, furniture and fixtures	323,469	225,385
Land	3,671,939	3,671,939
Leased assets	2,195,696	2,939,606
Construction in progress	1,735,798	865,742
Total property, plant and equipment	21,191,963	20,398,668
Intangible assets		
Software	1,180,058	909,737
Leased assets	12,906	22,591
Right of using facilities	16,848	15,655
Other	28,837	181,998
Total intangible assets	1,238,651	1,129,982
Investments and other assets		
Investment securities	1,849,690	1,999,598
Shares of subsidiaries and associates	31,742,587	32,498,408
Investments in capital of subsidiaries and associates	7,862,329	7,862,329
Long-term loans receivable from employees	18,549	16,637
Long-term loans receivable from subsidiaries and associates	1,350,000	1,100,000
Claims provable in bankruptcy, claims provable in rehabilitation and other	2,083	2,083
Long-term prepaid expenses	21,402	12,062
Prepaid pension cost	1,676,992	2,136,334
Other	970,745	935,316
Allowance for doubtful accounts	(13,223)	(13,173)
Total investments and other assets	45,481,157	46,549,597

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Total non-current assets	67,911,772	68,078,249
Total assets	102,831,009	104,954,706

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Liabilities		
Current liabilities		
Accounts payable - trade	5,699,312	5,981,605
Electronically recorded obligations - operating	9,834,814	11,260,485
Short-term loans payable	19,100,000	10,700,000
Current portion of long-term loans payable	3,427,100	6,116,600
Lease obligations	298,670	374,090
Accounts payable - other	2,236,251	1,281,387
Accrued expenses	866,796	895,552
Income taxes payable	467,376	526,145
Advances received	197	4,742
Deposits received	64,178	60,473
Unearned revenue	25,764	25,764
Provision for bonuses	1,079,942	1,178,152
Provision for directors' bonuses	121,100	128,800
Electronically recorded obligations - non-operating	2,299,083	458,877
Other	987	2,374
Total current liabilities	45,521,574	38,995,051
Non-current liabilities		
Long-term loans payable	10,302,500	16,185,900
Lease obligations	1,845,830	2,471,637
Deferred tax liabilities	262,503	358,630
Provision for retirement benefits	3,454,617	3,751,091
Provision for environmental measures	1,435	1,435
Provision for loss on guarantees	342,629	754,759
Asset retirement obligations	1,800	1,800
Long-term accounts payable - other	349,330	405,440
Other	40,971	26,000
Total non-current liabilities	16,601,618	23,956,693
Total liabilities	62,123,193	62,951,744
Net assets		
Shareholders' equity		
Capital stock	7,273,178	7,273,178
Capital surplus		
Legal capital surplus	7,649,095	7,649,095
Other capital surplus	297,150	297,150
Total capital surpluses	7,946,245	7,946,245
Retained earnings		
Legal retained earnings	743,443	743,443
Other retained earnings		
Reserve for advanced depreciation of non-current assets	1,738,371	1,724,613
General reserve	21,000,000	21,000,000
Retained earnings brought forward	2,434,513	3,652,592
Total retained earnings	25,916,328	27,120,649
Treasury shares	(1,421,594)	(1,422,361)
Total shareholders' equity	39,714,157	40,917,712
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	993,658	1,085,249

(Thousand yen)

	As of March 31,2017	As of March 31,2018
Total valuation and translation adjustments	993,658	1,085,249
Total net assets	40,707,816	42,002,962
Total liabilities and net assets	102,831,009	104,954,706

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Net sales	63,345,882	66,413,180
Cost of sales	50,932,449	53,748,021
Gross profit	12,413,432	12,665,158
Selling, general and administrative expenses	9,717,441	10,813,890
Operating profit	2,695,991	1,851,268
Non-operating income		
Interest and dividend income	1,114,815	1,124,533
Foreign exchange gains	-	10,889
Gain on sales of scraps	334,041	441,056
Other	547,718	280,352
Total non-operating income	1,996,575	1,856,832
Non-operating expenses		
Interest expenses	107,792	151,764
Foreign exchange losses	24,655	-
Other	59,751	80,352
Total non-operating expenses	192,198	232,116
Ordinary profit	4,500,368	3,475,984
Extraordinary income		
Subsidy income	200,000	-
Total extraordinary income	200,000	-
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	4,102,258	-
Provision for loss on guarantees	342,629	412,129
Total extraordinary losses	4,444,888	412,129
Profit before income taxes	255,479	3,063,855
Income taxes - current	738,479	700,705
Income taxes - deferred	94,169	(35,644)
Total income taxes	832,649	665,060
Profit (loss)	(577,170)	2,398,794

Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2017

(Thousand yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus		Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	7,273,178	7,649,095	297,150	743,443	1,616,618	19,000,000	6,248,293
Changes of items during period							
Provision of reserve for advanced depreciation of non-current assets					138,800		(138,800)
Reversal of reserve for advanced depreciation of non-current assets					(17,046)		17,046
Provision of general reserve						2,000,000	(2,000,000)
Dividends of surplus							(1,114,856)
Profit (loss)							(577,170)
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	-	121,753	2,000,000	(3,813,780)
Balance at end of current period	7,273,178	7,649,095	297,150	743,443	1,738,371	21,000,000	2,434,513

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(1,421,016)	41,406,762	793,161	793,161	42,199,924
Changes of items during period					
Provision of reserve for advanced depreciation of non-current assets		-			-
Reversal of reserve for advanced depreciation of non-current assets		-			-
Provision of general reserve		-			-
Dividends of surplus		(1,114,856)			(1,114,856)
Profit (loss)		(577,170)			(577,170)
Purchase of treasury shares	(577)	(577)			(577)
Net changes of items other than shareholders' equity			200,496	200,496	200,496

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Total changes of items during period	(577)	(1,692,604)	200,496	200,496	(1,492,108)
Balance at end of current period	(1,421,594)	39,714,157	993,658	993,658	40,707,816

For the fiscal year ended March 31,2018

(Thousand yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus		Other retained earnings		
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward
Balance at beginning of current period	7,273,178	7,649,095	297,150	743,443	1,738,371	21,000,000	2,434,513
Changes of items during period							
Provision of reserve for advanced depreciation of non-current assets							
Reversal of reserve for advanced depreciation of non-current assets					(13,757)		13,757
Dividends of surplus							(1,194,473)
Profit (loss)							2,398,794
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	-	(13,757)	-	1,218,079
Balance at end of current period	7,273,178	7,649,095	297,150	743,443	1,724,613	21,000,000	3,652,592

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	(1,421,594)	39,714,157	993,658	993,658	40,707,816
Changes of items during period					
Provision of reserve for advanced depreciation of non-current assets		-			-
Reversal of reserve for advanced depreciation of non-current assets		-			-
Dividends of surplus		(1,194,473)			(1,194,473)
Profit (loss)		2,398,794			2,398,794
Purchase of treasury shares	(766)	(766)			(766)
Net changes of items other than shareholders' equity			91,591	91,591	91,591
Total changes of items during period	(766)	1,203,554	91,591	91,591	1,295,145
Balance at end of current period	(1,422,361)	40,917,712	1,085,249	1,085,249	42,002,962