

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



May 2, 2018

Company name: TOA Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6809  
 URL: <http://www.toa.co.jp/>  
 Representative: Kazuhiro Takeuchi, President, CEO  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 21, 2018  
 Scheduled date of filing annual securities report: June 21, 2018  
 Scheduled date of commencing dividend payments: June 22, 2018  
 Availability of supplementary briefing material on financial results: Yes  
 Schedule of financial results briefing session: Yes (for institutional investors)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 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	44,180	3.9	3,510	19.6	3,561	17.1	2,138	22.2
March 31, 2017	42,504	(7.3)	2,935	(19.3)	3,040	(16.1)	1,750	(16.4)

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥4,409 million [167.5%]

Fiscal year ended March 31, 2017: ¥1,648 million [13.6%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	63.16	-	5.1	6.3	7.9
March 31, 2017	51.70	-	4.4	5.7	6.9

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended March 31, 2018: ¥- million

Fiscal year ended March 31, 2017: ¥- million

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of March 31, 2018	58,217	45,786	74.7	1,284.69
As of March 31, 2017	54,294	42,307	74.1	1,188.41

(Reference) Equity: As of March 31, 2018: ¥43,502 million

As of March 31, 2017: ¥40,242 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 end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	2,760	(1,158)	(1,393)	19,670
March 31, 2017	3,040	(642)	(796)	19,161

## 2. Dividends

	Annual dividends					Total amount of dividends	Dividend payout ratio (Consolidated)	Dividend on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	yen	yen	yen	yen	yen	Million yen	%	%
Fiscal year ended March 31, 2017	-	10.00	-	12.00	22.00	744	42.6	1.9
Fiscal year ended March 31, 2018	-	10.00	-	13.00	23.00	778	36.4	1.9
Fiscal year ending March 31, 2019 (Forecast)	-	10.00	-	10.00	20.00		31.5	

Breakdown of the dividends for the fiscal year ended March 31, 2017: Stable dividend ¥20, Commemorative dividend ¥2

Breakdown of the dividends for the fiscal year ended March 31, 2018: Stable dividend ¥20, Performance-based dividend ¥3

Dividends for the fiscal year ending March 31, 2019 (Forecast) will be determined by taking into account the performances on stable dividend of ¥20, aiming at a consolidated dividend payout ratio of 35%, as specified in “(5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year” on page 7.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 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
First half (Cumulative)	21,000	8.9	750	(12.2)	800	(13.1)	350	(18.0)	10.34
Full year	47,000	6.4	3,400	(3.2)	3,500	(1.7)	2,150	0.5	63.49

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (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: 34,536,635 shares
    - March 31, 2017: 34,536,635 shares
  - 2) Total number of treasury shares at the end of the period:
    - March 31, 2018: 674,280 shares
    - March 31, 2017: 674,135 shares
  - 3) Average number of shares during the period:
    - Fiscal year ended March 31, 2018: 33,862,443 shares
    - Fiscal year ended March 31, 2017: 33,862,599 shares

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

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2018	31,297	1.9	1,536	20.0	1,835	13.6	1,411	55.8
March 31, 2017	30,717	(4.5)	1,280	(15.1)	1,616	(12.2)	905	(27.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2018	41.68	-
March 31, 2017	26.75	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	39,281	32,266	82.1	952.88
As of March 31, 2017	36,461	30,241	82.9	893.05

(Reference) Equity: As of March 31, 2018: ¥32,266 million

As of March 31, 2017: ¥30,241 million

\* These financial results are outside the scope of audit by a certified public accountant or an audit corporation.\* Explanation of the proper use of financial results forecast and other notes

Forecasts presented herein are the current prospects based on information currently available and contain elements of uncertainty. Actual results may therefore differ from the above forecasts due to subsequent changes in the circumstances.

The Company plans to hold a financial results briefing session for institutional investors on Tuesday, May 22, 2018. The materials that will be distributed at the briefing are scheduled to be posted on our website promptly after the session.

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## 1. Overview of Operating Results, Etc.

### (1) Overview of Operating Results for the Fiscal Year Under Review

During the fiscal year ended March 31, 2018, while corporate earnings and the employment situation improved in Japan, and the U.S. and Europe's economies also continued a moderate recovery overseas, the overall global economic outlook remains uncertain, partly due to concerns over trade friction between the U.S. and China going forward.

In such an environment, we have focused on creating products and services that contribute to security and safety in the society in order to realize our corporate value "Smiles for the Public." In the domestic market, we have continued to strengthen sales in the disaster reduction and prevention market with "Audio notification capabilities" at the core, and in the field of security we are introducing a new high-resolution analog camera system (AHD Camera System) to the market and strengthening activities aimed at expanding our market. In addition, while accelerating the development, production and sales in the 5 global regions, we are continuing to expand our business by releasing new products and expanding sales network in growing markets.

As a result, net sales during the fiscal year ended March 31, 2018 amounted to ¥44,180 million (up ¥1,676 million, or 3.9%, year on year). Operating profit amounted to ¥3,510 million (up ¥575 million, or 19.6%, year on year), ordinary profit to ¥3,561 million (up ¥520 million, or 17.1%, year on year), and profit attributable to owners of parent to ¥2,138 million (up ¥387 million, or 22.2%, year on year).

Performance by segment is as follows.

#### (Japan)

Net sales amounted to ¥27,299 million (down ¥139 million, or 0.5%, year on year), and segment profit (operating profit) to ¥5,384 million (up ¥417 million, or 8.4%, year on year).

Net sales decreased due mainly to a decrease in sales for railway cars, despite robust sales for Slim Line Array Speaker for Disaster Prevention and an increase in sales for broadcasting systems to commercial facilities. However, segment profit increased due to an improvement in cost ratio and a decrease in selling, general and administrative expenses.

#### (The Americas)

Net sales amounted to ¥3,856 million (up ¥715 million, or 22.8%, year on year), and segment profit (operating profit) to ¥158 million (up ¥174 million).

Net sales and segment profit increased due mainly to an increase in sales for broadcasting systems to commercial facilities and for railway cars in the U.S. as well as robust sales in the educational market in Canada.

#### (Europe, Middle East & Africa)

Net sales amounted to ¥4,796 million (up ¥419 million, or 9.6%, year on year), and segment profit (operating profit) to ¥425 million (up ¥80 million, or 23.3%, year on year).

Net sales and segment profit increased, thanks to continued favorable sales of public address/emergency broadcast systems in Europe meeting emergency broadcast standards.

#### (Asia & Pacific)

Net sales amounted to ¥6,725 million (up ¥682 million, or 11.3%, year on year), and segment profit (operating profit) to ¥858 million (up ¥119 million, or 16.2%, year on year).

Sales of broadcasting systems in Indonesia, Thailand and Vietnam were robust. Net sales and segment profit increased due mainly to newly received orders of large projects such as sales to a large sports facility in Indonesia, sales for government sectors in Vietnam, and transportation infrastructure projects in each country.

(China & East Asia)

Net sales amounted to ¥1,502 million (down ¥0 million, or 0.1%, year on year), and segment profit (operating profit) to ¥216 million (down ¥83 million, or 27.8%, year on year).

Net sales and segment profit decreased due to a decline in sales in Hong Kong, despite progress with deliveries of network-type broadcasting systems in China.

## (2) Overview of Financial Position for the Fiscal Year Under Review

Total assets at the end of the fiscal year ended March 31, 2018 increased ¥3,922 million from the end of the previous fiscal year to ¥58,217 million. Assets increased due mainly to an increase resulting from revaluation of investment securities. Increases in liabilities and net assets are mainly attributable to an increase in retained earnings owing to the recording of profit attributable to owners of parent.

## (3) Overview of Cash Flows for the Fiscal Year Under Review

Cash and cash equivalents at the end of the fiscal year ended March 31, 2018 (hereinafter “cash”) increased by ¥508 million from the end of the previous fiscal year to ¥19,670 million. The status of cash flows and their contributing factors during the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥2,760 million. This was mainly attributable to ¥3,561 million of profit before income taxes, depreciation of ¥917 million, an increase of ¥751 million in notes and accounts receivable – trade, an increase of ¥144 million in inventories, and ¥1,052 million of income taxes paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥1,158 million. This was mainly attributable to the purchase of manufacturing equipment and information equipment that amounted to ¥1,196 million.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥1,393 million. This was mainly attributable to a decrease of ¥409 million of short-term loans payable and ¥743 million of cash dividends paid.

## (4) Future Outlook

In the next fiscal year, we will launch the medium-term management plan with the fiscal year ending March 2021 as the final year. Under the medium-term management plan, we aim “To be the Only 1 for our customers” in order to realize our corporate value. As well, we will further strengthen our “connection with our customers” and change various issues facing our customers that differ by region and market into values of “reassurance,” “reliability” and “emotion” with our unique perspective as a specialized manufacturer having strength in “Audio notification capabilities.”

Furthermore, in order to achieve the above goal, we will realize the “5 TOAs in the World,” in which the 5 global regions become independent businesses through strengthening of their marketing functions and by further accelerating product development that meets each market needs. Through such growth and achievements, we aim to “become a company with a strong brand power” that will continue to live up to the expectations of our customers.

At present, our performance forecasts for the year ending March 31, 2019 are: Net sales of ¥47,000 million, operating profit of ¥3,400 million, ordinary profit of ¥3,500 million, and profit attributable to owners of parent of ¥2,150 million.

#### (5) Basic Policy on Distribution of Profits and Dividends for Current and Next Fiscal Year

The Company views an increase of returns of profits to shareholders as an important managerial task.

Regarding the distribution of profits, in addition to our basic policy of providing stable dividends, we endeavor to provide returns to shareholders by taking our business performance into consideration. We also aim to maintain sufficient internal reserves, so as to secure a stable management foundation in the long term, and to raise the competitiveness of the Company through actively carrying out R&D investments. By endeavoring to strengthen our financial structure, we aim to increase our corporate value.

In addition, to further specify our policy of providing dividends based on business performance, we adopt a basic policy of maintaining an annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), and aim for a consolidated dividend payout ratio of 35% based on our business performance. The amount of dividends paid will also be determined by considering the overall balance with our internal reserves, so as to enable sustainable growth of the Company.

For the fiscal year ended March 31, 2018, the Company plans to pay an annual dividend of ¥23 per share (stable annual dividend of ¥20 and performance-based dividend of ¥3), which includes the interim dividend of ¥10 per share already paid. For the fiscal year ending March 31, 2019, in addition to the stable annual dividend of ¥20 (Interim dividend: ¥10; Year-end dividend: ¥10), we will determine the dividend amount by aiming for a consolidated dividend payout ratio of 35% based on our business performance.

#### 2. Basic Views on the Selection of Accounting Standards

In consideration of the ease of comparison of the consolidated financial statements, in terms of comparison with previous years and comparison with other companies, the TOA Group plans to continue adopting Japanese GAAP in the preparation of its consolidated financial statements.

With regard to the adoption of IFRS, in view of the various circumstances within and outside of Japan, the Group will adopt the IFRS appropriately, as necessary.

### 3. Consolidated Financial Statements and Primary Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	16,500	16,958
Notes and accounts receivable - trade	9,941	10,759
Securities	3,500	3,500
Merchandise and finished goods	5,547	5,607
Work in process	842	818
Raw materials and supplies	2,438	2,658
Deferred tax assets	567	532
Other	670	666
Allowance for doubtful accounts	(76)	(93)
Total current assets	39,932	41,407
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,510	7,629
Accumulated depreciation	(4,680)	(4,851)
Buildings and structures, net	2,830	2,778
Machinery, equipment and vehicles	1,464	1,540
Accumulated depreciation	(1,114)	(1,213)
Machinery, equipment and vehicles, net	350	326
Tools, furniture and fixtures	4,003	3,984
Accumulated depreciation	(3,638)	(3,615)
Tools, furniture and fixtures, net	364	368
Land	2,450	2,457
Leased assets	433	508
Accumulated depreciation	(276)	(316)
Leased assets, net	156	192
Construction in progress	124	395
Total property, plant and equipment	6,276	6,519
Intangible assets		
Goodwill	329	306
Software	847	1,072
Software in progress	161	49
Other	172	208
Total intangible assets	1,510	1,635
Investments and other assets		
Investment securities	5,631	7,577
Deferred tax assets	152	177
Net defined benefit asset	17	22
Other	792	880
Allowance for doubtful accounts	(18)	(3)
Total investments and other assets	6,575	8,654
Total non-current assets	14,362	16,809
Total assets	54,294	58,217



(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,926	3,906
Short-term loans payable	1,292	852
Lease obligations	56	69
Income taxes payable	514	468
Provision for bonuses	151	172
Provision for product warranties	16	25
Other	1,927	2,169
Total current liabilities	7,885	7,663
Non-current liabilities		
Lease obligations	136	192
Deferred tax liabilities	620	1,216
Net defined benefit liability	2,739	2,704
Other	604	653
Total non-current liabilities	4,102	4,767
Total liabilities	11,987	12,430
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus	6,866	6,866
Retained earnings	25,930	27,324
Treasury shares	(393)	(393)
Total shareholders' equity	37,683	39,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,308	4,668
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	(683)	(253)
Remeasurements of defined benefit plans	(66)	11
Total accumulated other comprehensive income	2,558	4,425
Non-controlling interests	2,065	2,283
Total net assets	42,307	45,786
<b>Total liabilities and net assets</b>	<b>54,294</b>	<b>58,217</b>

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

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	42,504	44,180
Cost of sales	24,054	25,007
Gross profit	18,449	19,173
Selling, general and administrative expenses	15,514	15,663
Operating profit	2,935	3,510
Non-operating income		
Interest income	28	39
Dividend income	74	74
Insurance and dividend income	26	27
Other	84	75
Total non-operating income	213	217
Non-operating expenses		
Interest expenses	27	28
Foreign exchange losses	62	106
Other	17	32
Total non-operating expenses	107	166
Ordinary profit	3,040	3,561
Profit before income taxes	3,040	3,561
Income taxes - current	1,007	1,079
Income taxes - deferred	(111)	(21)
Total income taxes	895	1,057
Profit	2,145	2,503
Profit attributable to non-controlling interests	394	364
Profit attributable to owners of parent	1,750	2,138

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Profit	2,145	2,503
Other comprehensive income		
Valuation difference on available-for-sale securities	35	1,359
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(573)	474
Remeasurements of defined benefit plans, net of tax	40	72
Total other comprehensive income	(497)	1,906
Comprehensive income	1,648	4,409
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,320	4,005
Comprehensive income attributable to non-controlling interests	328	404

## (3) Consolidated Statements of Changes in Net Assets

Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	24,925	(393)	36,678
Changes of items during period					
Dividends of surplus			(744)		(744)
Profit attributable to owners of parent			1,750		1,750
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,005	(0)	1,005
Balance at end of current period	5,279	6,866	25,930	(393)	37,683

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,273	-	(155)	(129)	2,989	1,905	41,572
Changes of items during period							
Dividends of surplus							(744)
Profit attributable to owners of parent							1,750
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	35	0	(528)	62	(430)	160	(270)
Total changes of items during period	35	0	(528)	62	(430)	160	735
Balance at end of current period	3,308	0	(683)	(66)	2,558	2,065	42,307

Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	5,279	6,866	25,930	(393)	37,683
Changes of items during period					
Dividends of surplus			(744)		(744)
Profit attributable to owners of parent			2,138		2,138
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	1,393	(0)	1,393
Balance at end of current period	5,279	6,866	27,324	(393)	39,077

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,308	0	(683)	(66)	2,558	2,065	42,307
Changes of items during period							
Dividends of surplus							(744)
Profit attributable to owners of parent							2,138
Purchase of treasury shares							(0)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	1,359	(0)	429	77	1,866	218	2,084
Total changes of items during period	1,359	(0)	429	77	1,866	218	3,478
Balance at end of current period	4,668	-	(253)	11	4,425	2,283	45,786

## (4) Consolidated Statements of Cash Flows

(Million 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	3,040	3,561
Depreciation	885	917
Increase (decrease) in net defined benefit liability	36	73
Interest and dividend income	(102)	(114)
Foreign exchange losses (gains)	15	(23)
Interest expenses	27	28
Increase (decrease) in accounts payable - other	72	143
Decrease (increase) in notes and accounts receivable - trade	(230)	(751)
Decrease (increase) in inventories	(268)	(144)
Increase (decrease) in notes and accounts payable - trade	368	(23)
Other, net	(67)	60
Subtotal	3,778	3,727
Interest and dividend income received	101	110
Interest expenses paid	(25)	(26)
Income taxes (paid) refund	(813)	(1,052)
Net cash provided by (used in) operating activities	3,040	2,760
Cash flows from investing activities		
Payments into time deposits	(508)	(482)
Proceeds from withdrawal of time deposits	523	522
Purchase of property, plant and equipment	(250)	(688)
Proceeds from sales of property, plant and equipment	3	8
Purchase of intangible assets	(387)	(508)
Other, net	(22)	(9)
Net cash provided by (used in) investing activities	(642)	(1,158)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	208	(409)
Purchase of treasury shares	(0)	(0)
Proceeds from sales of treasury shares	0	0
Repayments of finance lease obligations	(76)	(39)
Cash dividends paid	(745)	(743)
Dividends paid to non-controlling interests	(182)	(200)
Net cash provided by (used in) financing activities	(796)	(1,393)
Effect of exchange rate change on cash and cash equivalents	(352)	300
Net increase (decrease) in cash and cash equivalents	1,248	508
Cash and cash equivalents at beginning of period	17,913	19,161
Cash and cash equivalents at end of period	19,161	19,670

#### 4. Non-consolidated Financial Statements

##### (1) Non-consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	7,116	7,393
Notes receivable - trade	2,381	2,440
Accounts receivable - trade	5,637	5,627
Securities	3,500	3,500
Finished goods	2,627	2,823
Work in process	189	136
Raw materials and supplies	298	284
Prepaid expenses	125	127
Deferred tax assets	264	267
Other	141	232
Allowance for doubtful accounts	(55)	(69)
Total current assets	22,227	22,762
Non-current assets		
Property, plant and equipment		
Buildings, net	1,839	1,810
Structures, net	9	8
Machinery and equipment, net	0	0
Tools, furniture and fixtures, net	95	122
Land	2,217	2,217
Leased assets, net	8	6
Construction in progress	106	367
Total property, plant and equipment	4,277	4,534
Intangible assets		
Software	805	940
Software in progress	72	35
Other	72	70
Total intangible assets	950	1,046
Investments and other assets		
Investment securities	5,627	7,575
Shares of subsidiaries and associates	2,492	2,491
Investments in capital of subsidiaries and associates	670	670
Other	234	203
Allowance for doubtful accounts	(18)	(3)
Total investments and other assets	9,007	10,937
Total non-current assets	14,234	16,518
Total assets	36,461	39,281

(Million yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	1,418	1,581
Short-term loans payable	25	-
Lease obligations	2	1
Accounts payable – other	524	552
Income taxes payable	402	287
Accrued expenses	377	493
Other	183	153
Total current liabilities	2,933	3,070
Non-current liabilities		
Lease obligations	6	4
Provision for retirement benefits	2,233	2,299
Deferred tax liabilities	537	1,093
Other	509	546
Total non-current liabilities	3,286	3,944
<b>Total liabilities</b>	<b>6,220</b>	<b>7,014</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,279	5,279
Capital surplus		
Legal capital surplus	6,808	6,808
Other capital surplus	0	0
Total capital surpluses	6,808	6,808
Retained earnings		
Legal retained earnings	679	679
Other retained earnings		
General reserve	2,930	2,930
Retained earnings brought forward	11,627	12,293
Total retained earnings	15,237	15,903
Treasury shares	(393)	(393)
Total shareholders' equity	26,932	27,598
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,308	4,668
Total valuation and translation adjustments	3,308	4,668
<b>Total net assets</b>	<b>30,241</b>	<b>32,266</b>
<b>Total liabilities and net assets</b>	<b>36,461</b>	<b>39,281</b>



## (2) Non-consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2018
Net sales	30,717	31,297
Cost of sales	18,964	19,296
Gross profit	11,752	12,000
Selling, general and administrative expenses	10,472	10,464
Operating profit	1,280	1,536
Non-operating income		
Interest and dividend income	266	297
Foreign exchange gains	20	-
Miscellaneous income	61	64
Total non-operating income	347	362
Non-operating expenses		
Interest expenses	4	4
Foreign exchange losses	-	47
Miscellaneous loss	6	11
Total non-operating expenses	11	63
Ordinary profit	1,616	1,835
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	295	-
Total extraordinary losses	295	-
Profit before income taxes	1,320	1,835
Income taxes - current	513	469
Income taxes - deferred	(98)	(45)
Total income taxes	415	424
Profit	905	1,411

(3) Non-consolidated Statements of Changes in Net Assets  
 Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	0	6,808	679	2,930	11,466	15,076
Changes of items during period								
Dividends of surplus							(744)	(744)
Profit							905	905
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	160	160
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	11,627	15,237

(Million yen)

	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	(393)	26,771	3,273	3,273	30,045
Changes of items during period					
Dividends of surplus		(744)			(744)
Profit		905			905
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			35	35	35
Total changes of items during period	(0)	160	35	35	195
Balance at end of current period	(393)	26,932	3,308	3,308	30,241

Fiscal Year Ended March 31, 2018 (April 1, 2017 to March 31, 2018)

(Million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance at beginning of current period	5,279	6,808	0	6,808	679	2,930	11,627	15,237
Changes of items during period								
Dividends of surplus							(744)	(744)
Profit							1,411	1,411
Purchase of treasury shares								
Disposal of treasury shares			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during period	-	-	0	0	-	-	666	666
Balance at end of current period	5,279	6,808	0	6,808	679	2,930	12,293	15,903

(Million yen)

	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	(393)	26,932	3,308	3,308	30,241
Changes of items during period					
Dividends of surplus		(744)			(744)
Profit		1,411			1,411
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury shares	0	0			0
Net changes of items other than shareholders' equity			1,359	1,359	1,359
Total changes of items during period	(0)	666	1,359	1,359	2,025
Balance at end of current period	(393)	27,598	4,668	4,668	32,266