Financial Report for Fiscal Year ended March 31, 2016 [Japanese GAAP] (Consolidated)

May 13, 2016

Company name: Unitika Ltd. Listed stock exchange: Tokyo Stock Exchange
Code number: 3103 URL: http://www.unitika.co.jp/e/home.htm
Representative: Hiroyuki Shime, President and Chief Executive Officer
Contact: Masaaki Ohnishi, General Manager of Accounting Department TEL +81-6-6281-5721
Expected date for holding a regular shareholders meeting: June 29, 2016
Expected date for submitting securities report: June 29, 2016
Expected commencement date for paying dividend: –
Preparation of the attachment of Financial Report: Yes
Holding of a results presentation: Yes (for securities analysts and institutional investors)

(Figures less than one million yen were omitted.)

1. Consolidated performance for fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated business results (Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2016	146,474	(8.0)	10,450	17.2	6,821	(11.2)	6,933	—
FY ended March 31, 2015	159,126	(2.2)	8,916	31.1	7,680	62.9	(27,033)	—

(Note) Comprehensive income FY ended March 31, 2016: 7,119 million yen [—%]
FY ended March 31, 2015: (26,703) million yen [—%]

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY ended March 31, 2016	10.29	5.50	22.0	3.0	7.1
FY ended March 31, 2015	(46.87)	—	(123.2)	3.1	5.6

(Reference) Equity in earnings/losses of affiliates FY ended March 31, 2016: (3) million yen
FY ended March 31, 2015: 12 million yen

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2016	219,957	37,936	15.7	(6.76)
FY ended March 31, 2015	235,882	31,590	12.0	(17.01)

(Reference) Shareholders' equity: FY ended March 31, 2016: 34,598 million yen
FY ended March 31, 2015: 28,354 million yen

(3) Consolidated cash flows situation

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at period end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 31, 2016	11,661	4,124	(5,010)	42,023
FY ended March 31, 2015	6,080	(145)	5,870	31,708

2. Dividend payment

	Annual dividend per share					Annual dividends paid (Total)	Dividend payout ratio (consolidated)	Dividend ratio of net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2016	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2017 (forecast)	—	0.00	—	0.00	0.00		—	

(Note) The above *Dividend payment* refers to dividends paid to the holders of common stock. For details of dividend payment to the holders of class shares (unlisted), the rights of which are different from those of common stock, please refer to *Dividend payment to the holders of class shares* mentioned below.

3. Forecast of consolidated performance for fiscal year ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% figures represent changes from same period in the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half of FY ending March 31, 2017	66,000	(9.9)	5,200	17.6	4,100	34.4	3,200	85.9	4.68
FY ending March 31, 2017	137,500	(6.1)	11,700	12.0	9,000	31.9	7,000	1.0	10.41

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): Yes

New companies: — (company name)

Excluded companies: 7 companies; (company name): Unitika Berkshire Co., Ltd., Unitika Information Systems Co., Ltd., Diabond Industry Co., Ltd., Unitika Environmental Technical Center Ltd., Unitika NP Cloth Co., Ltd., Itecs Corp., Unitika Estate Co., Ltd.

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

(i) Changes in accounting policies due to revisions of accounting standards: Yes

(ii) Changes of accounting policies other than the above: No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(3) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of period (including treasury stock):

Fiscal year ended March 31, 2016: 577,523,433 shares

Fiscal year ended March 31, 2015: 577,523,433 shares

(ii) Number of treasury stocks at end of period

Fiscal year ended March 31, 2016: 805,686 shares

Fiscal year ended March 31, 2015: 794,415 shares

(iii) Average number of shares outstanding during the term

Fiscal year ended March 31, 2016: 576,723,333 shares

Fiscal year ended March 31, 2015: 576,734,918 shares

(Reference) Summary of non-consolidated performance

1. Non-consolidated performance for fiscal year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(1) Non-consolidated business results (Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2016	85,838	(8.6)	8,917	29.1	5,939	7.1	7,355	—
FY ended March 31, 2015	93,942	(0.2)	6,908	49.1	5,547	129.6	(30,595)	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 31, 2016	11.02	5.83
FY ended March 31, 2015	(53.05)	—

(2) Non-consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2016	203,043	39,157	19.3	1.15
FY ended March 31, 2015	200,940	32,390	16.1	(10.01)

(Reference) Shareholders' equity: FY ended March 31, 2016: 39,157 million yen
FY ended March 31, 2015: 32,390 million yen

* Presentation of situation of audit procedures

This financial report is not subject to audit procedures under the Financial Instruments and Exchange Law of Japan. Audit procedures concerning financial statements have not been completed at the date of disclosure of this financial report.

* Explanation on appropriate use of forecasts of performance and other special items

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from forecasts due to various factors. Concerning assumptions used as a basis for forecasting performance and precautionary statements when using the forecast of performance, please refer to *1. Analysis of business results and financial situation (1) Analysis of business results: Forecast of business performance for fiscal year ending March 31, 2017* on page 4 of the Financial Report (the attachment).

Dividend payment to the holders of class shares

The breakdown of dividends per share related to class shares, the rights of which are different from those of common stock, is as follows:

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year end	Total
Class A share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2015	—	0.00	—	8,021.90	8,021.90
FY ended March 31, 2016	—	0.00	—	12,000.00	12,000.00
FY ending March 31, 2017 (forecast)	—	0.00	—	12,000.00	12,000.00
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2015	—	0.00	—	15,870.00	15,870.00
FY ended March 31, 2016	—	0.00	—	23,740.00	23,740.00
FY ending March 31, 2017 (forecast)	—	0.00	—	23,740.00	23,740.00
Class C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2015	—	0.00	—	40,109.60	40,109.60
FY ended March 31, 2016	—	0.00	—	60,000.00	60,000.00
FY ending March 31, 2017 (forecast)	—	0.00	—	60,000.00	60,000.00

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1. Analysis of business results and financial situation

(1) Analysis of business results

(i) Business results for fiscal year ended March 31, 2016

During this consolidated accounting year, the Japanese economy continued its modest recovery. Corporate profits and the job market improved, backed by Tokyo's economic policies and the Bank of Japan's monetary easing and expansion in inbound demand. However, the outlook remained uncertain due to falling stock prices worldwide and a strong yen after the start of 2016 in the backdrop of the slow-down of economic growth in China, uncertainty over interest rate hikes in the U.S., and the prolonging of weak crude oil prices.

Under such circumstances, the Unitika Group tried to strengthen its foundation as a functional materials manufacturer centering on the Polymers business and restructuring low-profit businesses with the aim of achieving targets at an early stage under the growth strategy stated in its new medium-term management plan, which started in May 2014. During this consolidated accounting year, the Group has finished selling off stakes in consolidated subsidiaries such as Unitika Estate as well as real estate owned by the Group such as the Toyohashi office. In addition, we have been making progress in our plans to dissolve UNITIKA EMBLEM CHINA LTD., which is a consolidated subsidiary. This means that in the current consolidated accounting period, we have largely completed the business portfolio restructuring stated in our medium-term management plan.

In addition, we would like to express our heartfelt apologies to shareholders regarding Unitika Trading Co. Ltd. The company received an on-site investigation by the Japan Fair Trade Commission on March 1, 2016, on allegation of violating the antimonopoly law regarding the textile products that use vinylon or flame-retardant vinylon, which the company placed a competitive bid for orders placed by the Acquisition, Technology & Logistics Agency (ATLA). We are taking this investigation seriously and cooperating fully.

As a result, in this consolidated fiscal year, the Unitika Group reported net sales of 146,474 million yen (down 8.0% year-on-year), operating income of 10,450 million yen (up 17.2% year-on-year), ordinary income of 6,821 million yen (down 11.2% year-on-year), and net income attributable to owners of parent of 6,933 million yen (the net loss of 27,033 million yen in the same period of the previous year.)

The Unitika Group decided that it will pay no dividend for common shares in the current fiscal year. The management sincerely appreciates your understanding in this matter.

Here is a summary of business by segment.

[Polymers]

In the Films business, the packaging sector showed weak results due to the impact of economic slowdown in China, Southeast Asia and other parts of the world. However, domestic sales volume increased due to a recovery in the domestic market and increased inbound demand, resulting in increased sales volume. In particular, sales grew for new barrier nylon film which have high gas barrier features. In industrial applications, demand shrank for information terminal applications, but sales increased supported by sales growth in highly value-added items such as heat-resistant polyamide film and a silicon-free mold release polyester film. As a result, the Films business posted increases in both income and profit.

In the Resin business, sales of nylon resins were affected by a slowdown in the automobile industry and China's economic slowdown. However, a thermoplastic saturated copolymeric polyester resin and an environmentally friendly water-based polyolefin cationic emulsion enjoyed sales growth due to applications in solar panels and other uses. In addition, a thermoplastic polyester resin, saw strong sales for electric and electronic appliance applications. Sales of the Company's original polyarylate resin, for information terminal applications rose. A highly heat-resistant polyamide resin developed using the Company's original technology, is being increasingly employed for use in electric and electronic device applications, among others. As a result, the Resin business overall saw declining income and increased profit.

In the Non-woven Fabrics business, sales remained weak overall. Sales of polyester spunbond fabrics remained steady due to domestic applications for daily products, but sales of polyester spunbond fabrics mainly in agricultural and construction-related applications decreased. Overseas, sales remained strong mainly in the rest of Asia and North America. Meanwhile, sales of cotton spunlace grew, supported by expansion in external growth which expanded sales of daily products such as skin care products. As a result, the Non-woven Fabrics business overall saw declining income and increased profit.

Consequently, the Polymers business posted an operating income of 8,002 million yen (up 25.4% year-on-year) on net sales of 56,313 million yen (up 1.2% year-on-year).

[Advanced Materials]

In the Glass Fibers business, sales in the industrial materials sector, mainly building- and environment-related materials, generally remained strong, but sales in the civil engineering applications were weak. In the electronic materials sector, sales of IC cloth suffered weak sales due to weak demand in information terminal applications. In the Glass Beads business, sales for road marking applications recovered, while sales for industrial and reflective material applications declined. However, profit increased due to improvements in product lineup and efforts to boost productivity. Meanwhile, the Activated Carbon Fibers business generally remained strong. Demand for liquid phase applications declined starting from the second half of the term in industrial applications. However, due to a recovery in demand for mainstay water purifier applications, the vapor phase application seeing a recovery in demand in the second half, as well as other factors, the business overall remained strong.

Consequently, the Advanced Materials business posted operating income of 1,447 million yen (up 3.4% year-on-year) on net sales of 11,914 million yen (down 4.0% year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, sales of ultra-high strength polyester filament yarn were weak in the mainstay field of civil engineering. However, profits improved due to increased sales of high-profit-margin products such as compound fiber. In the short-fiber polyester business, profitability improved substantially due to the near completion of shrinking low-profit-margin businesses in line with structural reforms that led to transferring the focus to high-value-added products.

In the Garments, Lifestyle Materials, and Bedding business, profitability declined due to increased costs of overseas procurement and decline in sales volume in uniforms and sports fields. However, in the women's clothing field, the Group managed to secure previous-year-level profit due to efforts to expand sales of secondary products despite a weak market environment. Overseas, denim exports struggled to grow in the second half of the term, but sales of high-profit-products increased, leading to steady performance.

Consequently, the Fibers and Textiles business posted operating income of 1,586 million yen (up 40.2% year-on-year) on net sales of 65,431 million yen (down 12.9% year-on-year).

[Others]

The Others category posted an operating loss of 630 million yen (operating loss of 4 million yen in the same period of the previous year) on net sales of 12,814 million yen (down 19.6% year-on-year) due to the effects of transfer of equities and businesses associated with the business portfolio restructuring.

(ii) Forecast of business performance for fiscal year ending March 31, 2017

The Unitika Group has largely finished implementing the business portfolio restructuring measures stated in its medium-term management plan during this consolidated accounting year. Therefore, the Group will focus on growth strategies and aim to expand businesses. Specifically, it will maximize use of funds obtained through the reinforcement of its capital base through financial support and external capital contributions in 2014, further proceed with capital investment mainly in growing businesses such as the Polymers business, increase capability to supply products to the Asian region, a growing market; and accelerate development of value-added products in an attempt to expand businesses in Japan and overseas. By implementing the aforementioned measures, the Group forecasts net sales of 137,500 million yen, operating income of 11,700 million yen, ordinary income of 9,000 million yen, and profit attributable to owners of parent of 7,000 million yen for the next full-year term.

(2) Analysis on financial situation

Total assets declined by 15,924 million yen from the end of the previous consolidated accounting year to 219,957 million yen. This is mainly due to the decreases in inventories and property, plant and equipment despite an increase in cash and deposits. Liabilities shrank by 22,270 million yen from the end of the previous consolidated accounting year to 182,020 million yen, mainly due to a decline in trade payables and interest-bearing debt. Net assets increased by 6,346 million yen from the end of the previous consolidated accounting year to 37,936 million yen, mainly due to an increase in retained earnings from booking profit attributable to owners of parent.

Here is a summary of the cash flow situation.

(Net cash provided by [used in] operating activities)
Cash flow from operating activities in the current consolidated accounting year increased by 11,661 million yen (up 91.8% from the previous consolidated accounting year) due to cash-in-flow, which added depreciation to net income before taxes and minority interests, as well as due to a decline in inventories.

(Net cash provided by [used in] investment activities)
Cash flow from investment activities in the current consolidated accounting year increased by 4,124 million yen (declined by 145 million yen in the previous consolidated accounting year). The Group booked expenses related to property, plant and equipment but also booked proceeds from sales of assets associated with the business portfolio restructuring.

(Net cash provided by [used in] financing activities)
Cash flow from financing activities during the current consolidated accounting year decreased by 5,010 million yen (increased by 5,870 million yen in the previous consolidated accounting year) due to repayment of loans payable, among other factors.

As a result, cash and cash equivalents at the end of the current fiscal year increased by 10,315 million yen from the end of the previous fiscal year to 42,023 million yen.

The table below shows trends in cash flow indicators.

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
(i) Shareholders' equity ratio (%)	15.7	12.0	6.1
(ii) Shareholders' equity ratio on market value basis (%)	14.2	13.4	12.9
(iii) Ratio of interest-bearing debt to cash flow	11.1	22.5	24.5
(iv) Interest coverage ratio	4.9	2.3	2.3

(Notes) Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio on market value basis: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow
Interest coverage ratio: Cash flow/Interest expense
*1. Each indicator is calculated based on consolidated financial results.
*2. Cash flow is net cash provided by operating activities.
*3. Interest-bearing debt includes all liabilities, reported on the consolidated balance sheet, on which interest is paid.

(3) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2016 and the fiscal year ending March 31, 2017

The Unitika Group considers that the profit distribution to its shareholders is an important aspect of its business, but management intends to cancel payment of dividends on common stock for the fiscal year ended March 31, 2016, giving due consideration to the business results and financial situation at the end of the fiscal year.

For the future, Unitika's basic dividend policy is to conduct profit distribution to shareholders appropriate to the Company's financial results. At the same time, the Company intends to decide dividend payment after considering the improvement of financial position and enhancing of internal reserve for securing profit for shareholders from a long-term perspective.

Regarding dividends for the classified stock issued through third party allocations in July 2014, the Company plans to provide the following dividends based on the classified stock issuance guidelines determined at the time of issuance: 12,000 yen per class A share; 23,740 yen per class B share; and 60,000 yen per class C share.

2. Management policies

(1) Basic management policies

The Unitika Group operates on our philosophy of "contributing to society by connecting people's lives and technology" and aims to become a company that contributes to the improvement of people's lives and preservation of the environment, with social recognition. The Unitika Group firmly believes that contributing to society by promoting the basic policy of our long-term vision, of "completing our structural portfolio restructuring," "reinforcing our functional materials business sector," "strengthening our corporate foundation and shareholders' equity," which will increase our corporate value and ultimately result in increased returns for our shareholders.

(2) Targeted management index

The Unitika Group places greater importance on amount of net sales, operating income and ordinary income that represent the results of its business activities. The Group considers enhancing its shareholders' equity ratio and reducing interest-bearing debts to strengthen its financial position and places emphasis on and manages cash flows with great care.

(3) Medium- to long-term business strategies and issues to be addressed

The Unitika Group has largely finished implementing the business portfolio restructuring measures stated in its medium-term management plan during this consolidated accounting year. Therefore, the Group will focus on growth strategies and aim to expand businesses. Specifically, the Group will maximize use of funds obtained through the reinforcement of its capital base through financial support and external capital contributions in 2014; further proceed with capital investment mainly in growing businesses such as the Polymers business; increase capability to supply products to the Asian region, a growing market; and accelerate development of value-added products in an attempt to expand businesses in Japan and overseas.

In the Films business, the Unitika Group plans to branch out into non-packaging sectors, expand sales of new highgas barrier nylon and increase sales of highly value added products for industrial applications. The new large-scale nylon film equipment that went into full-scale operations at our Indonesian subsidiary P.T. Emblem Asia last spring has secured our top spot in the global market share in nylon film due to further expansion of production capacity. The Group aims to increase sales in the American and European markets and further expand market shares in Southeast Asia. In the Resin business, the Group is currently exploring electric and electronics applications of polyolefin cationic emulsion in addition to the existing environment-related applications. The Group also plans to increase in sales of highly heat-resistant polyamide resin

by exploring new applications, mainly in the electric and electronics-related applications. The Group began operating in the previous fiscal year a medium-scale production facility that enables annual production of 500 tons of *XecoT*. In the Non-woven Fabrics business, the Group is continuing to expand production facilities for polyester spunbond in its Thai subsidiary THAI UNITIKA SPUNBOND CO., LTD. with the goal of starting operations at the end of March 2017, while at the same time further strengthening the Group's marketing efforts to expand global market share. In regards to cotton spunlace, the Group will reinforce sales of daily life applications such as skin care products as well as reinforce overseas businesses.

In the Advanced Materials business, the Unitika Group plans to reinforce sales expansion of civil engineering and construction-related applications in the Glass Fibers business, sales in the industrial materials sector while strengthening sales expansion efforts in the applications related to environment, automobile, electric and electronics. In the electronic materials sector, the Group plans to further develop highly value-added products in the IC cloth category such as ultra-thin versions, and aim to boost profit by increasing the Group's share of unique products such as information terminal applications. In the Glass Beads business, the Group plans to promote sales expansion in the automobile and electronic parts applications and concentrate on further improving profitability in the reflective material applications. Meanwhile, in the Activated Carbon Fibers business, the Group plans to make efforts in the water purifier applications, the liquid phase applications for industrial use, and vapor phase applications for general deodorants. In addition, the Group plans to explore overseas markets mainly in the Asian region such as China and Taiwan.

As for Fibers and Textiles, the Group hopes to expand profit by introducing high-profit-margin products in the Industrial Materials business with unique products such as compound fiber. The Group will also continue cost reduction measures in all stages of procurement, production, sales and management in a bid to improve profitability. In the Garments, Lifestyle Materials, and Bedding business, the Group will accelerate global development using overseas bases in China, Vietnam and Indonesia. In Japan, The Group aims to strengthen the functionality of products as well as expand sales of high value added products.

Regarding research and development, the Group plans to maximize use of management resources, further strengthen polymer design and renovation technology and proprietary nanotechnology that the Unitika Group owns, and accelerate development that will lead to growth of highly functional resins, highly heat-resistant film, and highly functional fibers.

3. Basic approach to the selection of accounting standards

The Unitika Group adopts Japanese Accounting Standards (Japanese GAAP), since the Group intends to ensure the comparability of performance with competitors in Japan.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	31,738	42,101
Notes and accounts receivable-trade	39,059	35,811
Inventories	37,377	27,566
Deferred tax assets	977	1,306
Other	3,823	2,921
Allowance for doubtful accounts	(161)	(106)
Total current assets	112,814	109,601
Non-current assets		
Property,plant and epuipment		
Buildings and structures, net	13,887	11,355
Machinery, equipment and vehicles, net	18,167	22,068
Tools, furniture and fixtures, net	1,055	911
Land	76,904	66,869
Leased assets, net	259	171
Construction in progress	6,168	2,791
Total property,plant and equipment	116,443	104,168
Intangible assets		
Goodwill	4	—
Other	1,480	1,714
Total intangible assets	1,485	1,714
Investments and other assets		
Investment securities	3,112	2,963
Investments in capital	11	9
Long-term loans receivable	169	62
Net defined benefit asset	15	13
Deferred tax assets	336	283
Other	1,737	1,171
Allowance for doubtful accounts	(243)	(32)
Total investments and other assets	5,138	4,473
Total non-current assets	123,067	110,356
Total assets	235,882	219,957

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	20,368	15,322
Short-term loans payable	2,072	1,827
Current portion of long-term loans payable	1,703	363
Lease obligations	189	139
Income taxes payable	461	215
Provision for bonuses	1,531	1,256
A product repair reserve fund	3,947	2,630
Provision for business structure improvement	1,751	989
Other	11,815	9,159
Total current liabilities	43,842	31,904
Non-current liabilities		
Long-term loans payable	130,127	124,142
Lease obligations	858	642
Deferred tax liabilities	12,288	9,273
Deferred tax liabilities for land revaluation	3,075	3,547
Provision for directors' retirement benefits	26	7
Net defined benefit liability	12,353	11,513
Other	1,718	989
Total non-current liabilities	160,449	150,116
Total liabilities	204,291	182,020
Net assets		
Shareholders' equity		
Capital stock	100	100
Capital surplus	60,275	28,401
Retained earnings	(31,138)	5,708
Treasury shares	(45)	(46)
Total shareholders' equity	29,191	34,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	468	433
Deferred gains or losses on hedges	(224)	(203)
Revaluation reserve for land	5,165	6,474
Foreign currency translation adjustment	(2,807)	(2,662)
Remeasurements of defined benefit plans	(3,439)	(3,608)
Total accumulated other comprehensive income	(837)	434
Non-controlling interests	3,236	3,338
Total net assets	31,590	37,936
Total liabilities and net assets	235,882	219,957

(2) Consolidated income statement and consolidated comprehensive income statement

(Consolidated income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (April 1, 2015 to March 31, 2016)
Net sales	159,126	146,474
Cost of sales	126,515	114,943
Gross profit	32,610	31,530
Selling, general and administrative expenses	23,694	21,080
Operating income	8,916	10,450
Non-operating income		
Interest income	82	73
Dividend income	74	83
Rent income	87	317
Share of profit of entities accounted for using equity method	12	—
Gain on valuation of interest rate swaps	—	127
Foreign exchange gains	1,754	—
Other	431	342
Total non-operating income	2,443	943
Non-operating expenses		
Interest expenses	2,603	2,367
Share of loss of entities accounted for using equity method	—	3
Foreign exchange losses	—	1,148
Other	1,076	1,051
Total non-operating expenses	3,679	4,572
Ordinary income	7,680	6,821
Extraordinary income		
Gain on sales of non-current assets	278	1,290
Gain on sales of shares of subsidiaries and associates	484	375
Gain on transfer of business	925	43
Reversal of a provision for product repair warranties	—	198
Total extraordinary income	1,688	1,908
Extraordinary losses		
Loss on disposal of non-current assets	624	527
Impairment loss	3,375	226
Loss on sales of shares of subsidiaries and associates	24	2,098
Provision for product repair warranties	3,708	—
Business structure improvement expenses	31,172	962
Other	842	138
Total extraordinary losses	39,747	3,953
Profit (loss) before income taxes	(30,378)	4,775
Income taxes-current	743	215
Income taxes-deferred	(3,540)	(2,387)
Total income taxes	(2,797)	(2,171)
Profit (loss)	(27,580)	6,947
Profit (loss) attributable to non-controlling interests	(547)	13
Profit (loss) attributable to owners of parent	(27,033)	6,933

(Consolidated comprehensive income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (April 1, 2015 to March 31, 2016)
Profit (loss)	(27,580)	6,947
Other comprehensive income		
Valuation difference on available-for-sale securities	202	(35)
Deferred gains or losses on hedges	(218)	22
Revaluation reserve for land	338	123
Foreign currency translation adjustment	18	173
Remeasurements of defined benefit plans, net of tax	537	(168)
Total other comprehensive income	877	115
Comprehensive income	(26,703)	7,062
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(26,110)	7,006
Comprehensive income attributable to non-controlling interests	(592)	56

(3) Consolidated statements of changes in net assets
Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	26,298	4,385	(11,392)	(44)	19,245
Cumulative effects of changes in accounting policies			1,426		1,426
Restarted balance	26,298	4,385	(9,965)	(44)	20,672
Changes of items during period					
Issuance of new shares	18,749	18,749			37,499
Dividends of surplus (other capital surplus)					—
Profit (loss) attributable to owners of parent			(27,033)		(27,033)
Purchase of treasury shares				(0)	(0)
Transfer to other capital surplus from capital stock	(44,947)	44,947			—
Capital increase of consolidated subsidiaries					—
Purchase of shares of consolidated subsidiaries					—
Deficit disposition		(7,806)	7,806		—
Reversal of revaluation reserve for land			(1,946)		(1,946)
Net changes of items other than shareholders' equity					
Total changes of items during period	(26,198)	55,890	(21,173)	(0)	8,518
Balance at the end of current period	100	60,275	(31,138)	(45)	29,191

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	265	(8)	2,918	(2,904)	(3,977)	(3,705)	3,828	19,368
Cumulative effects of changes in accounting policies								1,426
Restarted balance	265	(8)	2,918	(2,904)	(3,977)	(3,705)	3,828	20,795
Changes of items during period								
Issuance of new shares								37,499
Dividends of surplus (other capital surplus)								—
Profit (loss) attributable to owners of parent								(27,033)
Purchase of treasury shares								(0)
Transfer to other capital surplus from capital stock								—
Capital increase of consolidated subsidiaries								—
Purchase of shares of consolidated subsidiaries								—
Deficit disposition								—
Reversal of revaluation reserve for land			1,946			1,946		—
Net changes of items other than shareholders' equity	202	(215)	300	97	537	922	(592)	330
Total changes of items during period	202	(215)	2,247	97	537	2,868	(592)	10,795
Balance at the end of current period	468	(224)	5,165	(2,807)	(3,439)	(837)	3,236	31,590

Current consolidated fiscal year (April 1, 2015 to March 31, 2016)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	100	60,275	(31,138)	(45)	29,191
Cumulative effects of changes in accounting policies					—
Restarted balance	100	60,275	(31,138)	(45)	29,191
Changes of items during period					
Issuance of new shares					—
Dividends of surplus (other capital surplus)		(666)			(666)
Profit (loss) attributable to owners of parent			6,933		6,933
Purchase of treasury shares				(0)	(0)
Transfer to other capital surplus from capital stock					—
Capital increase of consolidated subsidiaries		(47)			(47)
Purchase of shares of consolidated subsidiaries		(47)			(47)
Deficit disposition		(31,112)	31,112		—
Reversal of revaluation reserve for land			(1,198)		(1,198)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(31,874)	36,847	(0)	4,972
Balance at the end of current period	100	28,401	5,708	(46)	34,164

	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of current period	468	(224)	5,165	(2,807)	(3,439)	(837)	3,236	31,590
Cumulative effects of changes in accounting policies								—
Restarted balance	468	(224)	5,165	(2,807)	(3,439)	(837)	3,236	31,590
Changes of items during period								
Issuance of new shares								—
Dividends of surplus (other capital surplus)								(666)
Profit (loss) attributable to owners of parent								6,933
Purchase of treasury shares								(0)
Transfer to other capital surplus from capital stock								—
Increase/decrease through increased investment into consolidated subsidiaries							47	—
Purchase of shares of consolidated subsidiaries								(47)
Deficit disposition								—
Reversal of revaluation reserve for land			1,198			1,198		—
Net changes of items other than shareholders' equity	(35)	21	110	144	(168)	72	55	128
Total changes of items during period	(35)	21	1,309	144	(168)	1,271	102	6,346
Balance at the end of current period	433	(203)	6,474	(2,662)	(3,608)	434	3,338	37,936

(4) Consolidated statements of cash flow

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (April 1, 2015 to March 31, 2016)
Cash flows from operating activities		
Profit (loss) before income taxes	(30,378)	4,775
Depreciation	4,954	4,831
Impairment loss	3,375	226
Business structure improvement expenses	29,751	962
Increase (decrease) in allowance for doubtful accounts	(38)	(253)
Increase (decrease) in net defined benefit liability	1,257	(803)
Increase (decrease) in provision for business structure improvement	1,185	(464)
Increase (decrease) in provision for product repair	2,663	(1,317)
Increase (decrease) in other provision	(33)	(170)
Interest expenses	2,603	2,367
Loss (gain) on disposal of non-current assets	624	527
Loss (gain) on sales of non-current assets	(278)	(1,290)
Gain on transfer of business	(925)	(43)
Loss (gain) on sale of shares of subsidiaries and associates	(460)	1,723
Decrease (increase) in notes and accounts receivable-trade	(3,426)	2,141
Decrease (increase) in inventories	964	6,084
Increase (decrease) in notes and accounts payable-trade	181	(2,805)
Other, net	(2,074)	(1,929)
Subtotal	9,948	14,561
Interest and dividend income received	157	154
Interest expenses paid	(2,630)	(2,371)
Income taxes paid	(1,394)	(683)
Net cash provided by (used in) operating activities	6,080	11,661
Cash flows from investing activities		
Decrease (increase) in time deposits	(0)	(49)
Purchase of investment securities	(21)	(20)
Proceeds from sales of investment securities	82	101
Purchase of property, plant and equipment	(4,737)	(5,476)
Proceeds from sales of property, plant and equipment	2,105	9,028
Proceeds from transfer of business	1,734	93
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,174	750
Other, net	(482)	(304)
Net cash provided by (used in) investing activities	(145)	4,124
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(25,320)	198
Proceeds from long-term loans payable	101	—
Repayment of long-term loans payable	(5,981)	(4,221)
Proceeds from issuance of common shares	37,218	—
Cash dividends paid	—	(666)
Other, net	(147)	(320)
Net cash provided by (used in) financing activities	5,870	(5,010)
Effect of exchange rate change on cash and cash equivalents	345	(459)
Net increase (decrease) in cash and cash equivalents	12,151	10,315
Cash and cash equivalents at beginning of period	19,557	31,708
Cash and cash equivalents at end of period	31,708	42,023

(5) Notes regarding consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable

(Significant items that are the basis for preparation of consolidated financial statements)

There are no significant changes in our latest securities report except for the "items related to the scope of the consolidated group" and "items related to accounting policies" stated below.

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 32 companies

Name of major consolidated subsidiaries:

NIPPON ESTER CO., LTD.

UNITIKA TRADING CO., LTD.

During the current consolidated accounting year, the number of consolidated subsidiaries has declined in the following ways: five consolidated subsidiaries were sold off through transfer of shares, five firms were liquidated, while one subsidiary is starting the process of liquidation.

(2) Name of major non-consolidated subsidiaries:

Major non-consolidated subsidiaries:

Akoh Unitec Service Co., Ltd.

(Reasons the Company excludes such entities from the scope of consolidation)

Since the total assets, net sales, net income (loss) (corresponding to equity interest) and retained earnings (corresponding to equity interest) of the three non-consolidated subsidiaries are small and do not significantly influence the Company's consolidated financial statements, the Company excludes these entities from the scope of consolidation.

"Items related to accounting policies"

Consolidated tax payment system

The Company has been applying the consolidated tax payment system starting this consolidated accounting year.

(Changes in accounting policies)

(Application of Accounting Standards for Business Combination)

From the current consolidated accounting year, the Company adopted the Accounting Standard for Business Combination (ASBJ Statement No. 21, September 13, 2013, hereinafter the "Business Combination Accounting Standards"), the Accounting Standards for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013, hereinafter the "Consolidated Accounting Standards"), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013, hereinafter the "Business Divestitures Accounting Standards"). In response to the adoption of these standards, the Company changed the accounting treatment of the Company's equity in subsidiaries under the control of the Company. Specifically, differences resulting from the Company's acquisition of shares of subsidiaries are recorded as a capital surplus, and the costs related to those acquisitions are recorded as expenses for the fiscal year in which the acquisitions are made. For business combinations in and after the current consolidated accounting year, the method to allocate acquisition costs has changed. The acquisition cost modified by temporary accounting is allocated to the consolidated financial statements for the fiscal consolidated year in which the business combination is implemented. In addition, the presentation of net income has also changed. And the presentation as a "minority interests" has changed to "non-controlling interests". To reflect these changes, presentations in the consolidated financial statements for the full year of the previous consolidated fiscal year were reclassified.

In adopting the Business Combination Accounting Standards, etc., the Company adopts the transitional treatments as stipulated in Article 58-2 (4) of the same Standards, Article 44-5 (4) of the Consolidated Accounting Standards, and Article 57-4 (4) of the Business Divestiture Accounting Standards in and after the beginning of the current consolidated accounting year.

As a result, operating income increased by 11 million yen, ordinary income and net income before income taxes for the current consolidated accounting year each declined by 33 million yen. In addition, Capital surplus as of the end of the current fiscal year decreased by 94 million yen.

In the Group’s consolidated cash flow sheet for the current consolidated accounting period, cash flow related to the sales or acquisition of shares in subsidiaries that do not accompany changes of scope of consolidation is mentioned in the “cash flow based on financing activities” category. Meanwhile, costs related to acquisition of shares of subsidiaries that accompany changes of scope of consolidation as well as cash flow related to the costs of acquisition or sale of shares of subsidiaries that accompany changes of scope of consolidation are classified in the “cash flow from operating activities” category.

(Segment information etc.)

Segment information

1. Summary of reportable segment

Unitika’s reportable segments are components of the Company for which separate financial information is available. These segments are subject to regular reviews by the Board of Directors to decide the distribution of managerial resources and evaluate business results.

The Company sets up divisions by product and service in its head office. Each division formulates comprehensive domestic and overseas strategies for its products and services and conducts business activities according to the strategies.

Unitika consists of segments by product and service based on divisions. The following three are its reportable segments: Polymers, Advanced Materials, and Fibers & Textiles.

The Polymers segment manufactures and markets films, resins, and non-woven fabrics. The Advanced Materials segment makes and sells glass fibers and so on. The Fibers & Textiles segment produces and distributes various types of fibers (threads, cotton, textiles and fabrics and the like).

2. Methods to calculate the amount of net sales, profit or loss, assets and other items by reportable segment

Methods of accounting treatment of reported business segments are almost the same as those employed for making the consolidated financial statements.

Inter-segment earnings and transfers are based on prevailing market prices.

Starting from the current consolidated accounting period, Unitika reformed the organizational structure and business classification for management purposes, with the aim of achieving the goals of the medium-term management plan. In response to these revisions, the classification of reporting segments for certain consolidated subsidiaries were also revised. In addition, as for operating expenses, part of retirement benefit costs and part of R&D expenditures, which were included in the adjustment items in the past are allocated to relevant segment. The segment information for the previous consolidated fiscal year was reclassified as segment information after this revision.

3. Information on the amount of net sales, profit or loss, assets and other items by reportable segment
The previous fiscal year (April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consolidated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	55,636	12,416	75,128	143,181	15,944	159,126	—	159,126
Inter-segment sales or transfer	11,591	916	1,088	13,595	1,661	15,257	(15,257)	—
Total	67,227	13,333	76,216	156,777	17,606	174,383	(15,257)	159,126
Segment income (loss)	6,383	1,399	1,131	8,915	(4)	8,910	5	8,916
Segment assets	99,130	18,404	53,114	170,649	40,476	211,125	24,756	235,882
Other items								
Depreciation and amortization	3,112	384	504	4,001	635	4,637	317	4,954
Increase in property, plant and equipment and intangible assets	2,435	338	512	3,286	416	3,703	1,671	5,375

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Medical business, Healthcare & Amenity business, and Real Estate-related business and the like.
2. Adjustment details are as follows.
(1) Adjustment of 5 million yen for *Segment income (loss)* is attributable to the elimination of the inter-segment transactions.
(2) Adjustment of 24,756 million yen for *Segment assets* include investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.
(3) Adjustment of 317 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.
(4) Adjustment of 1,671 million yen for *Increase in property, plant and equipment and intangible assets* is an increase in common assets that are not allocated to each reportable segment.
3. Segment income (loss) is adjusted with operating income in the consolidated statements of income.

Current consolidated fiscal year (April 1, 2015 to March 31, 2016)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consolidated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	56,313	11,914	65,431	133,659	12,814	146,474	—	146,474
Inter-segment sales or transfer	10,459	928	952	12,341	1,130	13,472	(13,472)	—
Total	66,773	12,842	66,384	146,001	13,945	159,946	(13,472)	146,474
Segment income (loss)	8,002	1,447	1,586	11,036	(630)	10,405	44	10,450
Segment assets	100,337	17,630	47,176	165,144	16,089	181,233	38,723	219,957
Other items								
Depreciation and amortization	3,306	374	488	4,170	252	4,422	408	4,831
Increase in property, plant and equipment and intangible assets	4,230	379	506	5,116	270	5,386	1,139	6,526

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Real Estate-related business and the like.
2. Adjustment details are as follows.
(1) Adjustment of 44 million yen for *Segment income (loss)* is attributable to the elimination of inter-segment transactions.
(2) Adjustment of 38,723 million yen for *Segment assets* include investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.
(3) Adjustment of 408 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.
(4) Adjustment of 1,139 million yen for *Increase in property, plant and equipment and intangible assets* is an increase in common assets that are not allocated to each reportable segment.
3. *Segment income (loss)* is adjusted with operating income in consolidated statements of income.

(Per share information)

	Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (April 1, 2015 to March 31, 2016)
Net assets per share	(17.01) yen	(6.76) yen
Net income per share or net loss per share	(46.87) yen	10.29 yen
Net income per share after full dilution	—	5.50 yen

(Note) 1. Information on net income per share after full dilution for the previous consolidated fiscal year was omitted, since we posted a net loss per share, although there was potential common stock.
2. The basis for the calculation of net assets per share is as follows:

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
Total net assets (million yen)	31,590	37,936
Amounts deducted from the total net assets (million yen)	41,401	41,834
(of which amounts to be paid in for shares of class stock (million yen))	(37,499)	(37,499)
(of which preferred dividends (million yen))	(666)	(997)
(of which non-controlling interests (million yen))	(3,236)	(3,338)
Net assets at the end of the fiscal year attributable to common stock (million yen)	(9,811)	(3,898)
Number of common stock at the end of the fiscal year used for calculating net assets per share (thousand shares)	576,729	576,717

3. The basis for the calculation of net income per share or net loss per share, and net income per share after full dilution is as follows:

	Previous consolidated fiscal year (April 1, 2014 to March 31, 2015)	Current consolidated fiscal year (April 1, 2015 to March 31, 2016)
Net income per share or net loss per share		
Net income (loss) attributable to owners of parent (million yen)	(27,033)	6,933
Amount not attributable to common stockholders (million yen)	—	997
(Of which preferred dividends (millions of yen))	(—)	(997)
Net income (loss) attributable to owners of parent related to common stock (millions of yen)	(27,033)	5,935
Average number of common stock during the fiscal year (thousand shares)	576,734	576,723
Net income per share after full dilution per share		
Net diluted earnings attributable to owners of parent (millions of yen)	—	997
(Of which preferred dividends (millions of yen))	(—)	(997)
Increased number of common stock (thousand shares)	—	684,847
Outline of potential common stock that was not included in the calculation of net income per share after full dilution due to the absence of dilutive effects but had significant changes compared with the end of the previous consolidated fiscal year.	Class A share: 21,740 shares Class B share: 5,759 shares Class C share: 10,000 shares	—

(Material subsequent events)

Transactions under common control

The Company has integrated Unitika Realty Co., Ltd., a wholly owned subsidiary, effective April 1, 2016, based on its decision made at the Board of Directors' meeting on January 26, 2016.

1. Overview of transaction

(1) Name and business of the integrated company

Name: Unitika Realty Co., Ltd.

Business: management, sales, rental and development of real estate

Financial status at time of integration (fiscal year ended March 2016)

Total assets	13,434 million yen
Liabilities	1,030 million yen
Net assets	12,403 million yen

(2) Business integration date: April 1, 2016

(3) Method of integration: merged with Unitika Ltd. as the existing company and Unitika Realty as a dissolved company.

(4) Name after integration: Unitika Realty Co., Ltd.

(5) Other items related to the overview of transaction: The now-defunct Unitika Realty Co., Ltd. was established for the purpose of maximizing use of the Unitika's underutilized real estate and conducting comprehensive management of rental assets. However, due to Unitika's withdrawal from selling major real estate and managing shopping centers and other facilities, Unitika Realty's business size shrank drastically, and it completed playing the role it was intended to play. Therefore, it was integrated into Unitika.

2. Overview of the accounting process implemented

The integration was conducted as a transaction under common control based on the "Accounting Standard for Business Combination" and "Guidance on Accounting Standard for Business Combination and Accounting Standard for Business Divestitures."

5. Supplementary materials

(1) Results (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Net income
Consolidated	FY ended March 2015	Full year	159,126	8,916	7,680	(27,033)
	FY ended March 2016	Q2	73,254	4,423	3,050	1,721
		Full year	146,474	10,450	6,821	6,933
Non-consolidated	FY ending March 2017	Q2 (Forecast)	66,000	5,200	4,100	3,200
		Full year (Forecast)	137,500	11,700	9,000	7,000
	Comparison with prior year	Q2 (Forecast)	(7,254)	777	1,050	1,479
		Full year (Forecast)	(8,974)	1,250	2,179	67

(2) Segment information (consolidated)

(Millions of yen)

			Polymers	Advanced Materials	Fibers & Textiles	Other	Elimination or corporate	Consolidated total
Results for prior fiscal year	FY ended March 2015	Net sales to outside customers	55,636	12,416	75,128	15,944	—	159,126
		Component ratio (%)	35.0	7.8	47.2	10.0	—	100.0
		Operating income	6,383	1,399	1,131	(4)	5	8,916
		Component ratio (%)	71.6	15.7	12.7	(0.0)	0.1	100.0
Results for current fiscal year	FY ended March 2016	Net sales to outside customers	56,313	11,914	65,431	12,814	—	146,474
		Component ratio (%)	38.4	8.1	44.7	8.7	—	100.0
		Operating income	8,002	1,447	1,586	(630)	44	10,450
		Component ratio (%)	76.6	13.8	15.2	(6.0)	0.4	100.0
Comparison with prior year		Net sales to outside customers	677	(502)	(9,697)	(3,130)	—	(12,652)
		Increase/decrease from prior year (%)	1.2	(4.0)	(12.9)	(19.6)	—	(8.0)
		Operating income	1,619	48	455	(626)	39	1,534
		Increase/decrease from prior year (%)	25.4	3.4	40.2	—	780.0	17.2
FY ending March 2017 (Forecast)	(Forecast)	Net sales to outside customers	57,000	13,100	63,600	3,800	—	137,500
		Component ratio (%)	41.5	9.5	46.3	2.8	—	100.0
		Operating income	8,900	1,500	2,000	(700)	0	11,700
		Component ratio (%)	76.1	12.8	17.1	(6.0)	0.0	100.0
	Comparison	Net sales to outside customers	687	1,186	(1,831)	(9,014)	—	(8,974)
		Increase/decrease from prior year (%)	1.2	10.0	(2.8)	(70.3)	—	(6.1)
		Operating income	898	53	414	(70)	(44)	1,250
		Increase/decrease from prior year (%)	11.2	3.7	26.1	—	(100.0)	12.0

(3) Capital expenditures, Depreciation (Property, plant and equipment), R&D expenditures, Interest-bearing liabilities, Financial account balance, Number of permanent employees (consolidated) (Millions of yen, persons)

		Capital expenditures	Depreciation (Property, plant and equipment)	R&D expenditures	Interest-bearing liabilities (end of fiscal year)	Financial account balance	Number of permanent employees (persons)
FY ended March 2014	Full year	4,995	4,936	3,881	164,552	(2,768)	4,513
FY ended March 2015	Full year	4,808	4,715	3,940	133,903	(2,446)	4,458
FY ended March 2016	Full year	5,968	4,555	3,203	126,334	(2,212)	3,906

(4) Cash flow (consolidated)

(Millions of yen)

		Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
FY ended March 2014	Full year	6,839	(4,103)	(3,053)	19,557
FY ended March 2015	Full year	6,080	(145)	5,870	31,708
FY ended March 2016	Full year	11,661	4,124	(5,010)	42,023