

Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2017

November 9, 2016

Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.

Code number: 3103

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Expected submission of quarterly report: November 11, 2016

Expected commencement date for paying dividend: –

Preparation of supplementary explanation documents for quarterly financial results: Yes

Holding of an analyst meeting for quarterly financial results: Yes (for securities analysts and institutional investors)

(Figures rounded down to nearest million yen.)

1. Consolidated performance for 2nd quarter of fiscal year ending March 31, 2017 (April 1, 2016 to September 30, 2016)

(1) Consolidated performance (accumulation)

(Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Quarterly profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 of FY ending March 31, 2017	62,571	(14.6)	6,273	41.8	4,133	35.5	3,585	108.3
Q2 of FY ended March 31, 2016	73,254	(5.6)	4,423	41.6	3,050	43.9	1,721	—

(Note) Comprehensive income Q2 of FY ending March 31, 2017: 3,261 million yen [83.1%]

Q2 of FY ended March 31, 2016: 1,781 million yen [—%]

	Quarterly net income per share	Diluted quarterly net income per share
	Yen	Yen
Q2 of FY ending March 31, 2017	5.35	2.76
Q2 of FY ended March 31, 2016	2.12	1.35

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q2 of FY ending March 31, 2017	204,132	40,200	18.1
FY ended March 31, 2016	219,957	37,936	15.7

(Reference) Shareholders' equity 2nd quarter of fiscal year ending March 31, 2017: 36,944 million yen

Fiscal year ended March 31, 2016: 34,598 million yen

2. Dividend payment

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2016	—	0.00	—	0.00	0.00
FY ending March 31, 2017	—	0.00	—	—	—
FY ending March 31, 2017 (forecast)	—	—	—	0.00	0.00

(Note) Revision of the latest dividend forecast: None

(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)

(Percentages represent changes from same period in 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
FY ending March 31, 2017	134,500	(8.2)	11,700	12.0	9,000	31.9	7,000	1.0	10.41

(Note) Revision of the latest forecasts of operational results: Yes

* 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: 2 companies; (company name): Unitika Realty Co., Ltd. and Unimore Ltd.

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements: No

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

① Changes in accounting policies due to revisions of accounting standards: No

② Changes of accounting policies other than the above: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at end of term (including treasury stock):

2nd quarter of the fiscal year ending March 31, 2017: 577,523,433 shares

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

② Number of treasury stocks at end of term

2nd quarter of the fiscal year ending March 31, 2017: 809,506 shares

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

③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)

2nd quarter of the fiscal year ending March 31, 2017: 576,716,410 shares

2nd quarter of the fiscal year ended March 31, 2016: 576,726,075 shares

* Information on implementation of quarterly review procedures

The summary of financial statements is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosing the summary of financial statements, the quarterly financial statement review procedures have been implemented.

* 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 business performance and precautionary statements when using the forecast of performance, please refer to *1. Qualitative Information on Quarterly Results (3) Explanation of future forecast information including forecast of consolidated performance* on page 3 of 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, 2016	—	0.00	—	12,000.00	12,000.00
FY ending March 31, 2017	—	0.00			
FY ending March 31, 2017 (forecast)			—	12,000.00	12,000.00
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2016	—	0.00	—	23,740.00	23,740.00
FY ending March 31, 2017	—	0.00			
FY ending March 31, 2017 (forecast)			—	23,740.00	23,740.00
Class C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2016	—	0.00	—	60,000.00	60,000.00
FY ending March 31, 2017	—	0.00			
FY ending March 31, 2017 (forecast)			—	60,000.00	60,000.00

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1. Qualitative Information on Quarterly Results

(1) Explanation of operational results

In the first six-month period of the consolidated fiscal year under review (April 1, 2016 to September 30, 2016), the recovery of the Japanese economy remained weak because of sluggish personal consumption, the fall in stock prices, and unstable movements in foreign exchange rates, although there were signs of a moderate economic recovery, reflecting improvement in corporate earnings and the employment and income environment. Meanwhile, the outlook for overseas economies remained uncertain due to the deceleration of growth in Asian countries such as China and in resource-producing countries, as well as the spread of economic confusion caused by Brexit (the exit of the United Kingdom from the EU).

Under these circumstances, the Unitika Group endeavored to strengthen its foundation as a functional materials manufacturer centering on the Polymers business and implement measures to improve profitability 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.

Consequently, in the six-month period of the consolidated fiscal year under review, the Unitika Group reported net sales of 62,571 million yen (down 14.6% year-on-year), operating income of 6,273 million yen (up 41.8% year-on-year), ordinary income of 4,133 million yen (up 35.5% year-on-year), and profit attributable to owners of parent of 3,585 million yen (up 108.3% year-on-year).

The Unitika Group has decided it will continue to pay no interim dividend for the fiscal year ending March 31, 2017. The management sincerely appreciates shareholders' understanding in this matter.

Here is an overview of the business results by segment.

[Polymers]

In the Films business, the packaging sector saw sales in Japan continue to grow steadily from the previous fiscal year due to a rise in demand because of the extreme summer heat. Moreover, sales of high value-added products, such as *Emblem HG*, a new barrier nylon film, also expanded, contributing to a growth in earnings. In overseas markets, sales volumes grew due to a recovery in Asian markets and the increase in production capacity of P.T. EMBLEM ASIA, a subsidiary in Indonesia. In the industrial sector, demand decreased in the electric and electronics equipment fields, such as information terminal applications, but earnings increased due to expanded sales of high value-added products, such as *Uniamide*, a heat-resistant polyamide film. Accordingly, the Films business posted increases in both net sales and profit.

In the Resin business, sales of nylon resins fell owing to the revision of selling prices, although sales volume increased. Sales of *elitel*, a thermoplastic saturated copolymeric polyester resin, grew steadily, supported by demand for solar cell applications in overseas markets. Sales of *U-Polymer*, the Company's original polyarylate resin, were sluggish for office equipment applications, but were robust for information terminal applications. Accordingly, the Resin business saw net sales decrease but profit increase.

In the Non-woven Fabrics business, sales of polyester spunbond fabrics remained weak for agricultural applications, but sales volume grew for interior and building construction material applications, contributing to the growth of earnings. In overseas markets, THAI UNITIKA SPUNBOND CO., LTD. (TUSCO), a subsidiary in Thailand, saw its earnings grow despite a recession in Thailand, because it increased sales in countries other than Thailand, mainly for carpet applications, and cut costs. Meanwhile, sales of cotton spunlace continued to grow in Japan due to steady sales for daily product applications, including expanded demand for anti-perspiration sheets caused by the extreme summer heat. Export volumes also grew. Accordingly, the Non-woven Fabrics business saw net sales decrease but profit increase.

Raw material and fuel prices remained at low levels, since crude oil prices recovered only moderately. This contributed to earnings growth in the entire Polymers business.

Consequently, the Polymers business posted an operating income of 5,214 million yen (up 38.6% year-on-year) on net sales of 27,551 million yen (down 1.8% year-on-year).

[Advanced Materials]

In the Glass Fibers business, the industrial materials sector recorded strong sales in building-related materials, whereas IC cloth in the electronic materials sector suffered weak sales due to sluggish demand in information terminal applications. In the Glass Beads business, sales for road marking applications were robust, while sales for industrial and reflective material applications declined. However, earnings in general increased due to improvements in the product lineup and the fall in fuel prices. In the Activated Carbon Fibers business, demand for mainstay water purifier applications

stagnated, but demand for VOC removal and industrial filter applications remained strong. Consequently, the Advanced Materials business posted operating income of 559 million yen (down 19.3% year-on-year) on net sales of 5,913 million yen (up 5.5% year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, sales of ultra-high strength polyester filament yarn grew solidly, with mainly high value-added products such as compound fiber, and products for building material applications contributing to earnings growth. In the short-fiber polyester business, earnings were secured in line with its initial plan, although sales decreased substantially due to the downsizing of the business associated with the structural reform the Company implemented by the previous fiscal year.

In the Garments, Lifestyle Materials and Bedding business, the uniform sector saw profitability improve due to a reduction in procurement costs, while the women's clothing sector achieved a sales increase through the expansion of sales of secondary products. Both sectors recorded earnings growth. On the other hand, sales of raw materials for sportswear, bedding goods, inner wear applications and export of denim were sluggish, leading to a decline in sales for the Garments, Lifestyle Materials and Bedding business.

Consequently, the Fibers and Textiles business posted operating income of 806 million yen (up 40.5% year-on-year) on net sales of 27,402 million yen (down 16.4% year-on-year).

[Others]

The Others category posted an operating loss of 316 million yen (operating loss of 631 million yen in the same period of the previous year) on net sales of 1,703 million yen (down 75.0% year-on-year) because of the effects of the transfer of shares and liquidation of subsidiaries and the transfer of businesses associated with the implementation of business portfolio restructuring measures.

(2) Explanation of financial situation

Total assets amounted to 204,132 million yen, down 15,824 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in cash and deposits. Liabilities totaled 163,932 million yen, down 18,087 million yen from the end of the previous consolidated fiscal year. This was primarily because of a decline in long-term loans payable. Net assets stood at 40,200 million yen, up 2,263 million yen from the end of the previous consolidated fiscal year. This was mainly owing 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)

Net cash provided by operating activities amounted to 10,154 million yen during the first six-month period of the current consolidated fiscal year (up 324.8% year-on-year) due to cash-in-flow, the total of income before income taxes and minority interests, and non-cash items, such as depreciation and amortization.

(Net cash provided by [used in] investing activities)

Net cash used in investment activities amounted to 3,524 million yen during the first six-month period of the current consolidated fiscal year (784 million yen used in the same period of the previous consolidated fiscal year) due to the posting of expenses related to capital expenditures.

(Net cash provided by [used in] financing activities)

Net cash used in financing activities amounted to 16,348 million yen during the first six-month period of the current consolidated fiscal year (1,716 million yen in the same period of the previous consolidated fiscal year) due to repayment of loans payable.

As a result, cash and cash equivalents at the end of the second quarter of the current consolidated fiscal year decreased by 10,247 million yen from the end of the previous consolidated fiscal year to 31,776 million yen.

(3) Explanation of future forecast information including forecast of consolidated performance

The Unitika Group has revised its full-year forecast of consolidated net sales for the fiscal year ending March 31, 2017 announced on May 13, 2016, considering its business performance, mainly the Fibers and Textiles business, for the six-month period of the consolidated fiscal year under review.

Meanwhile, the Group has not revised its initial full-year forecast of consolidated operating income, ordinary income, and profit attributable to owners of parent.

2. Matters concerning Summary Information (Notes)

(1) Changes in significant subsidiaries during the period

Two subsidiaries, Unitika Realty Co., Ltd. and Unimore Ltd., were excluded from the scope of consolidation because they were absorbed after the absorption-type merger implemented during the first quarter of the consolidated fiscal year under review in which the Company is a surviving company.

(2) Adoption of special accounting methods for preparing quarterly consolidated financial statements

Not applicable

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatements

Not applicable

(4) Additional information

(Application of the Implementation Guidance on the Recoverability of Deferred Tax Assets)

The Implementation Guidance on the Recoverability of Deferred Tax Assets (ASBJ Implementation Guidance No. 26 issued on March 28, 2016) has been applied since the first quarter of the consolidated fiscal year under review.

3. Quarterly Financial Statements

(1) Consolidated quarterly balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2016)	Q2 of FY ending March 2017 (September 30, 2016)
Assets		
Current assets		
Cash and deposits	42,101	31,897
Notes and accounts receivable-trade	35,811	31,653
Inventories	27,566	26,050
Other	4,228	4,423
Allowance for doubtful accounts	(106)	(93)
Total current assets	109,601	93,931
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	22,068	21,075
Land	66,869	66,795
Other, net	15,230	15,683
Total property, plant and equipment	104,168	103,553
Intangible assets		
Other	1,714	2,003
Total intangible assets	1,714	2,003
Investments and other assets		
Other	4,505	4,674
Allowance for doubtful accounts	(32)	(30)
Total investments and other assets	4,473	4,644
Total non-current assets	110,356	110,201
Total assets	219,957	204,132

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2016)	Q2 of FY ending March 2017 (September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,322	14,098
Short-term loans payable	1,827	1,774
Current portion of long-term loans payable	363	313
Income taxes payable	215	633
Provision for bonuses	1,256	1,249
A product repair reserve fund	2,630	2,212
Provision for business structure improvement	989	655
Other	9,298	8,270
Total current liabilities	31,904	29,207
Non-current liabilities		
Long-term loans payable	124,142	108,938
Provision for directors' retirement benefits	7	4
Net defined benefit liability	11,513	11,569
Other	14,452	14,213
Total non-current liabilities	150,116	134,725
Total liabilities	182,020	163,932
Net assets		
Shareholders' equity		
Capital stock	100	100
Capital surplus	28,401	28,401
Retained earnings	5,708	8,297
Treasury shares	(46)	(46)
Total shareholders' equity	34,164	36,752
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	433	467
Deferred gains or losses on hedges	(203)	(116)
Revaluation reserve for land	6,474	6,433
Foreign currency translation adjustment	(2,662)	(3,170)
Remeasurements of defined benefit plans	(3,608)	(3,422)
Total accumulated other comprehensive income	434	191
Non-controlling interests	3,338	3,255
Total net assets	37,936	40,200
Total liabilities and net assets	219,957	204,132

(2) Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income

(Consolidated quarterly statements of income)

(Six-month period ended September 30, 2016)

(Unit: Millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Net sales	73,254	62,571
Cost of sales	58,264	46,719
Gross profit	14,989	15,851
Selling, general and administrative expenses	10,566	9,578
Operating income	4,423	6,273
Non-operating income		
Interest income	35	35
Dividend income	45	50
Share of profit of entities accounted for using equity method	5	7
Rent income	159	140
Other	264	268
Total non-operating income	509	502
Non-operating expenses		
Interest expenses	1,200	1,024
Foreign exchange losses	235	1,276
Other	446	341
Total non-operating expenses	1,882	2,643
Ordinary income	3,050	4,133
Extraordinary income		
Gain on sales of non-current assets	128	192
Gain on sales of shares of subsidiaries and associates	375	–
Other	43	–
Total extraordinary income	546	192
Extraordinary losses		
Loss on disposal of non-current assets	251	215
Business structure improvement expenses	525	102
Other	85	9
Total extraordinary losses	862	328
Profit before income taxes	2,735	3,996
Income taxes-current	68	474
Income taxes-deferred	931	(108)
Total income taxes	1,000	366
Profit	1,734	3,630
Profit attributable to non-controlling interests	13	44
Profit attributable to owners of parent	1,721	3,585

(Consolidated quarterly statements of comprehensive income)

(Six-month period ended September 30, 2016)

(Unit: Millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Profit	1,734	3,630
Other comprehensive income		
Valuation difference on available-for-sale securities	58	33
Deferred gains or losses on hedges	21	88
Revaluation reserve for land	(66)	(41)
Foreign currency translation adjustment	(136)	(636)
Remeasurements of defined benefit plans, net of tax	169	186
Total other comprehensive income	46	(369)
Comprehensive income	1,781	3,261
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,755	3,343
Comprehensive income attributable to non-controlling interests	26	(82)

(3) Consolidated quarterly statements of cash flows

(Unit: Millions of yen)

	Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)	Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)
Cash flows from operating activities		
Profit before income taxes	2,735	3,996
Depreciation	2,344	2,183
Business structure improvement expenses	525	102
Increase (decrease) in allowance for doubtful accounts	(136)	(15)
Increase (decrease) in net defined benefit liability	(649)	308
Increase (decrease) in provision for business structure improvement	(407)	(239)
Increase (decrease) in a product repair reserve fund	(630)	(417)
Increase (decrease) in other provision	(137)	(7)
Interest expenses	1,200	1,024
Loss (gain) on disposal of non-current assets	251	215
Loss (gain) on sales of non-current assets	(128)	(192)
Loss (gain) on sales of shares of subsidiaries and associates	(375)	–
Decrease (increase) in notes and accounts receivable-trade	2,477	3,864
Decrease (increase) in inventories	2,847	1,294
Increase (decrease) in notes and accounts payable-trade	(4,316)	(878)
Other, net	(1,875)	(31)
Subtotal	3,725	11,209
Interest and dividend income received	81	85
Interest expenses paid	(1,210)	(1,027)
Income taxes paid	(206)	(112)
Net cash provided by (used in) operating activities	2,390	10,154
Cash flows from investing activities		
Decrease (increase) in time deposits	6	(46)
Purchase of investment securities	(11)	(5)
Proceeds from sales of investment securities	17	15
Purchase of property, plant and equipment	(3,122)	(3,301)
Proceeds from sales of property, plant and equipment	2,105	256
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	129	–
Other, net	91	(442)
Net cash provided by (used in) investing activities	(784)	(3,524)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	111	(81)
Repayments of long-term loans payable	(1,011)	(15,162)
Cash dividends paid	(666)	(997)
Other, net	(149)	(106)
Net cash provided by (used in) financing activities	(1,716)	(16,348)
Effect of exchange rate change on cash and cash equivalents	(200)	(529)
Net increase (decrease) in cash and cash equivalents	(310)	(10,247)
Cash and cash equivalents at beginning of period	31,708	42,023
Cash and cash equivalents at end of period	31,397	31,776

(4) Notes on quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in shareholders' equity)

Not applicable

(Segment information)

Segment Information

I. Six-month period ended September 30, 2015 (April 1, 2015 to September 30, 2015)

Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Figure in quarterly consolidated statements of income (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	28,067	5,607	32,774	66,448	6,805	73,254	–	73,254
Inter-segment sales or transfers	5,478	461	404	6,344	560	6,904	(6,904)	–
Total	33,546	6,068	33,178	72,793	7,365	80,158	(6,904)	73,254
Segment income (loss)	3,763	694	573	5,030	(631)	4,399	24	4,423

(Notes) 1. The *Other* category, which includes the environmental business and real estate-related business, does not qualify as a reportable operating segment.

2. Adjustment of *Segment income (loss)* is attributable to the elimination of inter-segment transactions.

3. *Segment income (loss)* is adjusted with operating income in consolidated statements of income.

II. Six-month period ended September 30, 2016 (April 1, 2016 to September 30, 2016)

1. Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Figure in quarterly consolidated statements of income (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	27,551	5,913	27,402	60,867	1,703	62,571	–	62,571
Inter-segment sales or transfers	4,406	444	460	5,312	579	5,891	(5,891)	–
Total	31,958	6,358	27,863	66,180	2,282	68,462	(5,891)	62,571
Segment income (loss)	5,214	559	806	6,580	(316)	6,263	9	6,273

(Notes) 1. The *Other* category, which includes designing, construction. And maintenance business, does not qualify as a reportable operating segment.

2. Adjustment of *Segment income (loss)* is attributable to the elimination of inter-segment transactions.

3. *Segment income (loss)* is adjusted with operating income in consolidated statements of income.

4. Supplementary Information

1. Results and earnings forecast for fiscal year ending March 2017 (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
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
	FY ending March 2017	Q2	62,571	6,273	4,133	3,585
		Full year (forecast)	134,500	11,700	9,000	7,000
	Comparison with prior year	Q2	(10,682)	1,849	1,082	1,864
Full year		(11,974)	1,249	2,178	66	

2. Segment information (consolidated)

(Millions of yen)

			Polymers	Advanced Materials	Fibers & Textiles	Other	Adjustment	Consolidated total
Results for previous fiscal year	1st six-month period ended September 2015 (Results)	Net sales to outside customers	28,067	5,607	32,774	6,805	–	73,254
		Component ratio (%)	38.3	7.7	44.7	9.3	–	100.0
		Operating income	3,763	694	573	(631)	24	4,423
		Component ratio (%)	85.1	15.7	13.0	(14.3)	0.5	100.0
Results for current fiscal year	1st six-month period ended September 2016 (Results)	Net sales to outside customers	27,551	5,913	27,402	1,703	–	62,571
		Component ratio (%)	44.0	9.5	43.8	2.7	–	100.0
		Operating income	5,214	559	806	(316)	9	6,273
		Component ratio (%)	83.1	8.9	12.8	(5.0)	0.1	100.0
Comparison with the same period of the previous year		Net sales to outside customers	(515)	306	(5,371)	(5,101)	–	(10,682)
		Increase/decrease from previous year (%)	(1.8)	5.5	(16.4)	(75.0)	–	(14.6)
		Operating income	1,451	(134)	232	314	(14)	1,849
		Increase/decrease from previous year (%)	38.6	(19.3)	40.5	–	(60.2)	41.8

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 2015	Full year	4,808	4,715	3,940	133,903	(2,446)	4,458
1st six-month period ended September 2015	Q2	3,047	2,198	1,654	132,224	(1,118)	4,023
FY ended March 2016	Full year	5,968	4,555	3,203	126,334	(2,212)	3,906
1st six-month period ended September 2016	Q2	2,827	2,065	1,527	111,026	(938)	3,726

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 2015	Full year	6,080	(145)	5,870	31,708
1st six-month period ended September 2015	Q2	2,390	(784)	(1,716)	31,397
FY ended March 2016	Full year	11,661	4,124	(5,010)	42,023
1st six-month period ended September 2016	Q2	10,154	(3,524)	(16,348)	31,776