

Consolidated Financial Highlights

| Years ended March 31 | Millions of yen | | | | | Thousands of U.S. dollars*1 | |
|--|-----------------|----------|----------|----------|----------|-----------------------------|--|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2016 | |
| Operating Results | | | | | | | |
| Net sales | ¥703,534 | ¥745,781 | ¥759,911 | ¥810,678 | ¥813,550 | \$7,263,843 | |
| Japan | 525,096 | 567,314 | 582,223 | 605,763 | 597,757 | 5,337,123 | |
| Overseas | 178,437 | 178,466 | 177,688 | 204,915 | 215,793 | 1,926,720 | |
| Operating income | 19,252 | 21,992 | 33,136 | 39,316 | 45,006 | 401,842 | |
| Profit attributable to owners of parent | 11,801 | 26,368 | 19,582 | 27,978 | 30,644 | 273,611 | |
| R&D and Capital Investment | | | | | | | |
| R&D expenditures | ¥ 32,247 | ¥ 31,160 | ¥ 32,029 | ¥ 35,023 | ¥ 35,949 | \$ 320,973 | |
| Plant and equipment investment*2 | 24,989 | 31,771 | 26,916 | 29,041 | 27,650 | 246,883 | |
| Depreciation and amortization*3 | 29,755 | 31,054 | 30,849 | 33,615 | 29,723 | 265,390 | |
| Cash Flows | | | | | | | |
| Cash flows from operating activities | ¥ 28,314 | ¥ 55,342 | ¥ 53,651 | ¥ 51,459 | ¥ 48,450 | \$ 432,594 | |
| Cash flows from investing activities | (13,489) | (24,286) | (9,649) | (22,750) | (19,410) | (173,304) | |
| Free cash flow | 14,825 | 31,055 | 44,002 | 28,708 | 29,040 | 259,290 | |
| Cash flows from financing activities | (32,593) | (56,827) | (50,570) | (33,827) | (31,567) | (281,844) | |
| Financial Position | | | | | | | |
| Total assets | ¥792,848 | ¥765,563 | ¥810,774 | ¥904,522 | ¥845,378 | \$7,548,021 | |
| Total net assets | 183,217 | 215,672 | 251,225 | 319,636 | 260,980 | 2,330,182 | |
| Shareholders' equity | 163,576 | 194,572 | 227,181 | 290,339 | 230,399 | 2,057,134 | |
| Net interest-bearing debt | 191,603 | 187,029 | 166,092 | 159,330 | 153,905 | 1,374,161 | |
| Interest-bearing debt | 255,865 | 226,717 | 199,504 | 191,225 | 184,744 | 1,649,507 | |
| Financial Indicators | | | | | | | |
| Ratio of operating income to net sales (%) | 2.7 | 2.9 | 4.4 | 4.8 | 5.5 | — | |
| ROE (Return on equity) (%) | 7.4 | 14.7 | 9.3 | 10.8 | 11.8 | — | |
| ROA (Return on assets) (%) | 1.5 | 3.4 | 2.5 | 3.3 | 3.5 | — | |
| Equity ratio (%) | 20.6 | 25.4 | 28.0 | 32.1 | 27.3 | — | |
| Net debt-equity ratio (times)*4 | 1.2 | 1.0 | 0.7 | 0.5 | 0.7 | — | |
| Debt-equity ratio (times)*5 | 1.6 | 1.2 | 0.9 | 0.7 | 0.8 | — | |
| Per Share Data | | | | | | | |
| | Yen | | | | | U.S. dollars*1 | |
| Net income | ¥ 16.52 | ¥ 36.90 | ¥ 27.41 | ¥ 39.16 | ¥ 42.90 | \$0.383 | |
| Net assets | 228.91 | 272.29 | 317.96 | 406.39 | 322.52 | 2.880 | |
| Cash dividends | 4.00 | 5.00 | 7.00 | 9.00 | 10.00 | 0.089 | |
| Others | | | | | | | |
| | Headcount | | | | | | |
| Employees | 24,973 | 24,956 | 25,524 | 25,740 | 26,508 | — | |
| Japan | 17,933 | 18,271 | 18,022 | 17,814 | 17,635 | — | |
| Overseas | 7,040 | 6,685 | 7,502 | 7,926 | 8,873 | — | |

*1 The U.S. dollar amounts represent the arithmetic results of translating yen into dollars at ¥112=U.S.\$1, the approximate exchange rate at March 31, 2016.

*2 Plant and equipment investment is the total of investment in tangible fixed assets, including acquisition amounts for lease contracts.

*3 Depreciation and amortization expense is the total of the depreciation of tangible fixed assets and amortization of intangible assets.

*4 Net debt-equity ratio: Net interest-bearing debt (interest-bearing debt – cash and cash equivalents) / Net assets

*5 Debt-equity ratio: Interest-bearing debt / Net assets

Contents

| | |
|--|----|
| Consolidated Financial Highlights..... | 01 |
| Management's Discussion and Analysis | 02 |
| Consolidated Balance Sheets | 09 |
| Consolidated Statements of Income | 11 |
| Consolidated Statements of Comprehensive Income..... | 12 |
| Consolidated Statements of Changes in Net Assets | 13 |
| Consolidated Statements of Cash Flows | 14 |
| Notes to the Consolidated Financial Statements..... | 15 |
| Independent Auditor's Report..... | 38 |