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

May 11, 2018

Company name: IWATANI CORPORATION

Stock exchange listing: Tokyo, Nagoya

Code number: 8088

URL: <http://www.iwatani.co.jp/>

Representative: Mitsuhiro Tanimoto

President

Contact: Itaru Ookawa

Director, General Manager Accounting Dept.

Phone: 06-7637-3325

Scheduled date of Annual General Meeting of Shareholders: June 27, 2018

Scheduled date of commencing dividend payments: June 28, 2018

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

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	670,792	14.1	27,193	8.6	29,407	9.6	17,577	6.2
March 31, 2017	588,045	(4.6)	25,038	22.2	26,834	24.3	16,546	33.8

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥ 23,102 million [2.7%]
Fiscal year ended March 31, 2017: ¥ 22,498 million [171.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2018	357.20	306.31	12.2	6.6	4.1
March 31, 2017	336.22	288.30	13.3	6.4	4.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: ¥ 241 million
Fiscal year ended March 31, 2017: ¥ 824 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	455,436	165,901	33.9	3,138.11
March 31, 2017	434,690	144,879	30.9	2,731.38

(Reference) Equity: As of March 31, 2018: ¥ 154,409 million
As of March 31, 2017: ¥ 134,415 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2018	28,510	(26,427)	(6,332)	17,769
March 31, 2017	37,240	(30,395)	(8,128)	21,200

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	-	-	-	8.00	8.00	1,970	11.9	1.6
March 31, 2018	-	-	-	55.00	55.00	2,708	15.4	1.9
Fiscal year ending March 31, 2019 (Forecast)	-	-	-	55.00	55.00		15.0	

(Note) On October 1, 2017, the company carried out a share consolidation at a ratio of one share for five shares of the Company's common stock. Accordingly, a figure for year-end dividends per share for fiscal year ending March 31, 2016 is 40 yen based on the consolidation of shares.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2018	335,000	12.4	8,500	20.9	9,500	16.7	5,500	19.9	111.78
Full year	735,000	9.6	28,400	4.4	30,000	2.0	18,000	2.4	365.82

* Notes:

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

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

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2018: 50,273,005 shares

March 31, 2017: 50,273,005 shares

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

March 31, 2018: 1,068,451 shares

March 31, 2017: 1,061,235 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2018: 49,209,132 shares

Fiscal Year ended March 31, 2017: 49,214,004 shares

(Reference) Summary of Non-consolidated Financial Results

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

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2018	480,940	17.9	11,492	9.5	17,108	11.6	12,310	8.6
March 31, 2017	407,791	(2.9)	10,495	154.7	15,334	85.1	11,337	91.3

Fiscal year ended	Basic earnings per share	Diluted earnings per share
March 31, 2018	Yen 249.93	Yen 214.24
March 31, 2017	230.15	197.26

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2018	320,744	104,464	32.6	2,120.98
March 31, 2017	315,162	91,152	28.9	1,850.38

(Reference) Equity: As of March 31, 2018: ¥ 104,464 million
As of March 31, 2017: ¥ 91,152 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	21,677	18,233
Notes and accounts receivable - trade	112,079	121,698
Merchandise and finished goods	30,056	32,167
Work in process	3,121	3,176
Raw materials and supplies	3,967	4,023
Deferred tax assets	3,320	3,381
Other	10,581	12,230
Allowance for doubtful accounts	(340)	(328)
Total current assets	184,464	194,584
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,398	37,768
Storage tanks and cylinders, net	8,444	7,369
Machinery, equipment and vehicles, net	29,899	36,713
Tools, furniture and fixtures, net	9,130	11,152
Land	59,057	61,104
Leased assets, net	5,391	4,601
Construction in progress	6,318	1,540
Total property, plant and equipment	156,639	160,249
Intangible assets		
Goodwill	12,672	14,313
Other	3,012	3,339
Total intangible assets	15,684	17,653
Investments and other assets		
Investment securities	64,856	69,741
Long-term loans receivable	249	115
Net defined benefit asset	1,609	1,265
Deferred tax assets	2,422	2,125
Other	9,504	10,286
Allowance for doubtful accounts	(740)	(585)
Total investments and other assets	77,901	82,949
Total non-current assets	250,226	260,851
Total assets	434,690	455,436

(Million yen)

	As of March 31,2017	As of March 31,2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	70,680	71,782
Electronically recorded obligations - operating	22,494	23,076
Short-term loans payable	23,748	26,667
Current portion of long-term loans payable	22,968	13,719
Current portion of bonds	-	3,000
Lease obligations	955	907
Income taxes payable	6,719	6,369
Provision for bonuses	4,728	4,909
Other	29,972	28,086
Total current liabilities	182,269	178,519
Non-current liabilities		
Bonds payable	38,106	35,076
Long-term loans payable	44,734	48,761
Lease obligations	4,773	3,923
Deferred tax liabilities	6,943	8,835
Provision for directors' retirement benefits	1,388	1,538
Net defined benefit liability	5,632	5,843
Other	5,962	7,034
Total non-current liabilities	107,541	111,015
Total liabilities	289,810	289,534
Net assets		
Shareholders' equity		
Capital stock	20,096	20,096
Capital surplus	18,107	18,077
Retained earnings	80,849	96,455
Treasury shares	(1,478)	(1,508)
Total shareholders' equity	117,574	133,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,364	19,593
Deferred gains or losses on hedges	(31)	(58)
Foreign currency translation adjustment	355	1,548
Remeasurements of defined benefit plans	153	203
Total accumulated other comprehensive income	16,841	21,287
Non-controlling interests	10,464	11,491
Total net assets	144,879	165,901
Total liabilities and net assets	434,690	455,436

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	588,045	670,792
Cost of sales	426,452	502,764
Gross profit	161,592	168,027
Selling, general and administrative expenses		
Haulage expenses	22,606	23,862
Provision of allowance for doubtful accounts	(7)	98
Salaries, allowances and bonuses	36,062	37,234
Provision for bonuses	4,277	4,299
Retirement benefit expenses	1,589	1,617
Provision for directors' retirement benefits	256	248
Depreciation	11,641	11,410
Rent expenses	9,694	9,774
Commission fee	9,218	8,913
Amortization of goodwill	2,868	2,841
Other	38,346	40,532
Total selling, general and administrative expenses	136,554	140,834
Operating profit	25,038	27,193
Non-operating income		
Interest income	221	229
Dividend income	701	976
Foreign exchange gains	116	275
Share of profit of entities accounted for using equity method	824	241
Subsidy income	349	469
Other	1,968	2,239
Total non-operating income	4,181	4,431
Non-operating expenses		
Interest expenses	1,215	1,076
Sales discounts	442	475
Other	727	665
Total non-operating expenses	2,385	2,217
Ordinary profit	26,834	29,407

(Million yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Extraordinary income		
Gain on sales of non-current assets	181	374
Gain on sales of investment securities	58	1
Gain on step acquisitions	123	-
Subsidy income	1,461	840
Total extraordinary income	1,824	1,217
Extraordinary losses		
Loss on sales of non-current assets	60	405
Loss on retirement of non-current assets	263	284
Impairment loss	19	45
Loss on sales of investment securities	42	1
Loss on valuation of investment securities	16	1
Loss on sales of investments in capital	0	-
Loss on liquidation of subsidiaries and associates	25	36
Directors' retirement benefits	0	15
Loss on reduction of non-current assets	1,448	795
Total extraordinary losses	1,877	1,583
Profit before income taxes	26,781	29,040
Income taxes - current	9,444	9,710
Income taxes - deferred	(227)	758
Total income taxes	9,217	10,469
Profit	17,564	18,571
Profit attributable to non-controlling interests	1,018	993
Profit attributable to owners of parent	16,546	17,577

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Profit	17,564	18,571
Other comprehensive income		
Valuation difference on available-for-sale securities	6,458	3,179
Deferred gains or losses on hedges	186	(26)
Foreign currency translation adjustment	(1,655)	1,204
Remeasurements of defined benefit plans, net of tax	3	49
Share of other comprehensive income of entities accounted for using equity method	(58)	124
Total other comprehensive income	4,934	4,531
Comprehensive income	22,498	23,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,551	22,023
Comprehensive income attributable to non-controlling interests	946	1,079

Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31,2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,096	18,137	66,174	(1,463)	102,945
Changes of items during period					
Dividends of surplus			(1,970)		(1,970)
Profit attributable to owners of parent			16,546		16,546
Purchase of treasury shares				(15)	(15)
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries		12			12
Decrease by merger		(43)			(43)
Change in treasury shares arising from change in equity in entities accounted for using equity method					-
Change of scope of equity method			98		98
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(30)	14,674	(15)	14,629
Balance at end of current period	20,096	18,107	80,849	(1,478)	117,574

	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	9,939	(221)	1,966	152	11,836	9,802	124,583
Changes of items during period							
Dividends of surplus							(1,970)
Profit attributable to owners of parent							16,546
Purchase of treasury shares							(15)
Disposal of treasury shares							-
Purchase of shares of consolidated subsidiaries							12
Decrease by merger							(43)
Change in treasury shares arising from change in equity in entities accounted for using equity method							-
Change of scope of equity method							98
Net changes of items other than shareholders' equity	6,425	190	(1,611)	1	5,005	661	5,667
Total changes of items during period	6,425	190	(1,611)	1	5,005	661	20,296
Balance at end of current period	16,364	(31)	355	153	16,841	10,464	144,879

For the fiscal year ended March 31,2018

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	20,096	18,107	80,849	(1,478)	117,574
Changes of items during period					
Dividends of surplus			(1,970)		(1,970)
Profit attributable to owners of parent			17,577		17,577
Purchase of treasury shares				(33)	(33)
Disposal of treasury shares		0		0	1
Purchase of shares of consolidated subsidiaries		28			28
Decrease by merger		(58)			(58)
Change in treasury shares arising from change in equity in entities accounted for using equity method				3	3
Change of scope of equity method			(0)		(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(29)	15,606	(29)	15,547
Balance at end of current period	20,096	18,077	96,455	(1,508)	133,121

	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	16,364	(31)	355	153	16,841	10,464	144,879
Changes of items during period							
Dividends of surplus							(1,970)
Profit attributable to owners of parent							17,577
Purchase of treasury shares							(33)
Disposal of treasury shares							1
Purchase of shares of consolidated subsidiaries							28
Decrease by merger							(58)
Change in treasury shares arising from change in equity in entities accounted for using equity method							3
Change of scope of equity method							(0)
Net changes of items other than shareholders' equity	3,228	(26)	1,193	50	4,445	1,027	5,473
Total changes of items during period	3,228	(26)	1,193	50	4,445	1,027	21,021
Balance at end of current period	19,593	(58)	1,548	203	21,287	11,491	165,901

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	26,781	29,040
Depreciation	16,822	17,021
Impairment loss	19	45
Amortization of goodwill	2,884	2,843
Subsidy income	(1,461)	(840)
Loss on reduction of non-current assets	1,448	795
Increase (decrease) in allowance for doubtful accounts	(388)	(172)
Increase (decrease) in provision for bonuses	221	146
Increase (decrease) in net defined benefit liability	(179)	211
Decrease (increase) in net defined benefit asset	657	343
Increase (decrease) in provision for directors' retirement benefits	0	146
Interest and dividend income	(923)	(1,205)
Interest expenses	1,215	1,076
Foreign exchange losses (gains)	(4)	221
Share of loss (profit) of entities accounted for using equity method	(824)	(241)
Loss (gain) on sales and retirement of non-current assets	142	315
Loss (gain) on sales of investment securities	(15)	(0)
Loss (gain) on valuation of investment securities	16	1
Loss (gain) on sales of investment	0	-
Loss (gain) on liquidation of subsidiaries and associates	25	36
Loss (gain) on step acquisitions	(123)	-
Decrease (increase) in notes and accounts receivable - trade	(7,475)	(8,441)
Decrease (increase) in inventories	(3,887)	(1,431)
Increase (decrease) in notes and accounts payable - trade	3,605	830
Increase (decrease) in advances received	4,653	(4,600)
Other, net	277	2,253
Subtotal	43,491	38,397
Interest and dividend income received	979	1,134
Proceeds from dividend income from entities accounted for using equity method	515	145
Interest expenses paid	(1,134)	(1,010)
Income taxes (paid) refund	(6,613)	(10,156)
Net cash provided by (used in) operating activities	37,240	28,510

(Million yen)

	For the fiscal year ended March 31,2017	For the fiscal year ended March 31,2018
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,260)	(21,338)
Proceeds from sales of property, plant and equipment	676	993
Purchase of intangible assets	(3,153)	(3,404)
Proceeds from sales of intangible assets	207	2
Purchase of investment securities	(2,577)	(2,742)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(78)	-
Proceeds from sales and redemption of investment securities	116	201
Proceeds from sales of investments in capital	9	8
Payments of loans receivable	(1,589)	(2,700)
Collection of loans receivable	1,777	2,836
Payments for asset retirement obligations	(19)	-
Other, net	(503)	(285)
Net cash provided by (used in) investing activities	(30,395)	(26,427)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,525)	3,203
Proceeds from long-term loans payable	19,946	17,943
Repayments of long-term loans payable	(22,040)	(23,777)
Net decrease (increase) in treasury shares	(10)	(29)
Repayments of lease obligations	(1,142)	(1,234)
Cash dividends paid	(1,966)	(1,972)
Dividends paid to non-controlling interests	(331)	(365)
Other, net	(56)	(98)
Net cash provided by (used in) financing activities	(8,128)	(6,332)
Effect of exchange rate change on cash and cash equivalents	(567)	358
Net increase (decrease) in cash and cash equivalents	(1,850)	(3,890)
Cash and cash equivalents at beginning of period	22,833	21,200
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	165	271
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	51	187
Cash and cash equivalents at end of period	21,200	17,769

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Million yen)

	As of March 31,2017	As of March 31,2018
Assets		
Current assets		
Cash and deposits	8,635	5,321
Notes receivable - trade	16,617	17,222
Accounts receivable - trade	64,920	68,915
Lease receivables	16	11
Merchandise	18,984	20,157
Advance payments - trade	2,853	2,793
Prepaid expenses	594	576
Accounts receivable - other	2,808	2,778
Deferred tax assets	1,404	1,383
Other	6,194	5,255
Allowance for doubtful accounts	(94)	(139)
Total current assets	122,934	124,276
Non-current assets		
Property, plant and equipment		
Buildings	17,118	16,599
Structures	3,284	3,003
Storage tanks and cylinders	5,298	4,352
Machinery and equipment	7,096	9,989
Vehicles	139	232
Tools, furniture and fixtures	1,254	1,223
Land	41,783	41,925
Leased assets	313	317
Construction in progress	3,599	281
Total property, plant and equipment	79,888	77,925
Intangible assets		
Goodwill	26	19
Industrial property	6	5
Leasehold right	48	48
Software	670	706
Leased assets	1	0
Other	130	287
Total intangible assets	884	1,067

(Million yen)

	As of March 31,2017	As of March 31,2018
Investments and other assets		
Investment securities	42,599	47,134
Shares of subsidiaries and associates	41,400	43,367
Investments in capital	22	21
Investments in capital of subsidiaries and associates	8,694	8,684
Long-term loans receivable	1	1
Long-term loans receivable from subsidiaries and associates	14,270	14,289
Claims provable in bankruptcy, claims provable in rehabilitation and other	575	412
Long-term prepaid expenses	329	275
Prepaid pension cost	830	404
Other	3,398	3,389
Allowance for doubtful accounts	(667)	(506)
Total investments and other assets	111,455	117,475
Total non-current assets	192,228	196,468
Total assets	315,162	320,744
Liabilities		
Current liabilities		
Notes payable - trade	2,847	3,058
Electronically recorded obligations - operating	22,494	23,076
Accounts payable - trade	52,994	52,997
Short-term loans payable	14,137	12,139
Current portion of long-term loans payable	18,200	10,700
Current portion of bonds	-	3,000
Lease obligations	84	59
Accounts payable - other	8,523	10,842
Accrued expenses	401	397
Income taxes payable	3,730	3,720
Advances received	7,470	2,231
Deposits received	141	150
Unearned revenue	18	13
Provision for bonuses	1,938	2,003
Other	2,913	1,688
Total current liabilities	135,896	126,078
Non-current liabilities		
Bonds payable	38,106	35,076
Long-term loans payable	40,400	43,700
Lease obligations	231	261
Deferred tax liabilities	6,390	8,025
Provision for retirement benefits	1,315	1,451
Asset retirement obligations	472	476
Other	1,196	1,210
Total non-current liabilities	88,113	90,202
Total liabilities	224,009	216,280

(Million yen)

	As of March 31,2017	As of March 31,2018
Net assets		
Shareholders' equity		
Capital stock	20,096	20,096
Capital surplus		
Legal capital surplus	5,100	5,100
Other capital surplus	12,911	12,912
Total capital surpluses	18,011	18,012
Retained earnings		
Other retained earnings		
Reserve for advanced depreciation of non-current assets	310	299
Retained earnings brought forward	38,554	48,905
Total retained earnings	38,865	49,205
Treasury shares	(1,399)	(1,429)
Total shareholders' equity	75,574	85,884
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	15,595	18,675
Deferred gains or losses on hedges	(18)	(95)
Total valuation and translation adjustments	15,577	18,579
Total net assets	91,152	104,464
Total liabilities and net assets	315,162	320,744

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	407,791	480,940
Cost of sales	339,742	409,198
Gross profit	68,048	71,742
Selling, general and administrative expenses	57,553	60,249
Operating profit	10,495	11,492
Non-operating income		
Interest income	289	319
Dividend income	4,576	4,796
Foreign exchange gains	226	354
Other	1,229	1,545
Total non-operating income	6,323	7,016
Non-operating expenses		
Interest expenses	410	354
Interest on bonds	52	52
Sales discounts	440	459
Other	580	533
Total non-operating expenses	1,483	1,400
Ordinary profit	15,334	17,108
Extraordinary income		
Gain on sales of non-current assets	40	6
Gain on sales of investment securities	57	-
Gain on sales of shares of subsidiaries and associates	-	17
Gain on liquidation of subsidiaries and associates	5	53
Subsidy income	1,179	838
Total extraordinary income	1,282	915
Extraordinary losses		
Loss on sales of non-current assets	20	0
Loss on retirement of non-current assets	64	121
Impairment loss	18	30
Loss on valuation of investment securities	15	-
Loss on valuation of shares of subsidiaries and associates	79	-
Loss on liquidation of subsidiaries and associates	1	-
Loss on reduction of non-current assets	1,167	793
Total extraordinary losses	1,367	946
Profit before income taxes	15,249	17,077
Income taxes - current	4,215	4,428
Income taxes - deferred	(303)	338
Total income taxes	3,911	4,767
Profit	11,337	12,310

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

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					Reserve for advanced depreciation of non-current assets	Retained earnings brought forward	
Balance at beginning of current period	20,096	5,100	12,911	18,011	323	29,175	29,498
Changes of items during period							
Dividends of surplus						(1,970)	(1,970)
Profit						11,337	11,337
Reversal of reserve for advanced depreciation of non-current assets					(12)	12	-
Purchase of treasury shares							
Disposal of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	-	(12)	9,379	9,367
Balance at end of current period	20,096	5,100	12,911	18,011	310	38,554	38,865

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(1,388)	66,217	9,406	(221)	9,184	75,402
Changes of items during period						
Dividends of surplus		(1,970)				(1,970)
Profit		11,337				11,337
Reversal of reserve for advanced depreciation of non-current assets		-				-
Purchase of treasury shares	(10)	(10)				(10)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity			6,189	203	6,392	6,392
Total changes of items during period	(10)	9,356	6,189	203	6,392	15,749
Balance at end of current period	(1,399)	75,574	15,595	(18)	15,577	91,152

For the fiscal year ended March 31,2018

(Million yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				Reserve for advanced depreciation of non-current assets	Retained earnings brought forward		
Balance at beginning of current period	20,096	5,100	12,911	18,011	310	38,554	38,865
Changes of items during period							
Dividends of surplus						(1,970)	(1,970)
Profit						12,310	12,310
Reversal of reserve for advanced depreciation of non-current assets					(10)	10	-
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	(10)	10,350	10,340
Balance at end of current period	20,096	5,100	12,912	18,012	299	48,905	49,205

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	(1,399)	75,574	15,595	(18)	15,577	91,152
Changes of items during period						
Dividends of surplus		(1,970)				(1,970)
Profit		12,310				12,310
Reversal of reserve for advanced depreciation of non-current assets		-				-
Purchase of treasury shares	(31)	(31)				(31)
Disposal of treasury shares	0	1				1
Net changes of items other than shareholders' equity			3,079	(77)	3,001	3,001
Total changes of items during period	(30)	10,310	3,079	(77)	3,001	13,312
Balance at end of current period	(1,429)	85,884	18,675	(95)	18,579	104,464

(1) Consolidated Statements of Income

(Unit: 100 million yen)

	FY2017	FY2016	Change	Rate	FY2018 (Forecast)	Change	Rate
Net sales	6,707	5,880	827	14.1%	6,650	57	0.9%
Gross profit	1,680	1,615	64	4.0%	-	-	-
Operating income	271	250	21	8.6%	265	6	2.6%
Ordinary income	294	268	25	9.6%	285	9	3.2%
Profit attributable to owners of parent	175	165	10	6.2%	170	5	3.4%

* Figures for fiscal year ending March 31, 2018(forecast) were announced on February 7, 2018.

(2) Segment Information

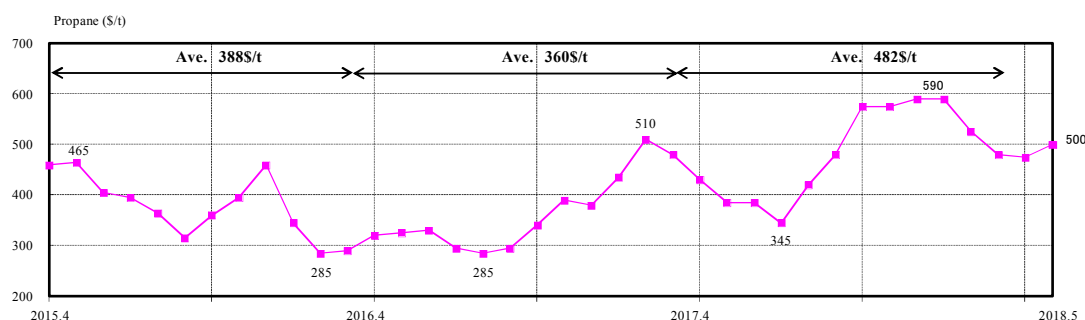
(Unit: 100 million yen)

		FY2017	FY2016	Change	Rate
Energy	Net sales (Sales to outside customers)	3,174	2,721	453	16.6%
	Operating income	135	159	(24)	(15.2)%
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,791	1,663	127	7.7%
	Operating income	99	67	32	47.5%
Materials	Net sales (Sales to outside customers)	1,351	1,152	199	17.3%
	Operating income	43	31	11	36.9%
Agri-Bio & Foods	Net sales (Sales to outside customers)	303	268	35	13.1%
	Operating income	13	12	1	9.1%
Others, Adjustments	Net sales (Sales to outside customers)	86	74	12	16.7%
	Operating income	(19)	(20)	0	-

(3) LPG and Industrial Gases Net Sales · Sales Volume

	Sales volume (thousand tons)				Net sales (100 million yen)			
	FY2017	FY2016	Change	Rate	FY2017	FY2016	Change	Rate
Domestic residential use	1,497	1,414	83	5.9%	1,494	1,292	202	15.6%
Domestic industrial use	313	282	30	10.9%	241	177	63	36.1%
Overseas	741	669	71	10.7%	397	275	122	44.3%
LPG total	2,551	2,366	185	7.8%	2,133	1,745	388	22.2%
Various Industrial gases	—	—	—	—	941	895	45	5.1%

(4) LPG Import Price (CP)



(5) Financial Position

(Unit: 100 million yen)

	FY2017 end	FY2016 end	Change
Total assets	4,554	4,346	207
Equity capital	1,544	1,344	199
Interest-bearing debt, gross	1,320	1,352	(32)
Interest-bearing debt, net	1,138	1,136	2
Equity capital ratio	33.9%	30.9%	3.0pt
Ratio of ordinary income to total assets	6.6%	6.4%	0.2pt
Rate of return on equity	12.2%	13.3%	(1.1)pt
Ratio of interest-bearing debt to total assets	29.0%	31.1%	(2.1)pt
Debt-to-equity ratio, gross	0.85	1.00	(0.15)pt
Debt-to-equity ratio, net	0.73	0.84	(0.11)pt

* Interest-bearing debt include lease liabilities in the amount of ¥4.8 billion.

(6) Capital Expenditure

(Unit: 100 million yen)

	FY2016	FY2017	FY2018 (Forecast)
Energy	145	109	98
Industrial Gases & Machinery	93	101	165
Materials	9	26	22
Agri-Bio & Foods	6	3	3
Others, Adjustments	77	20	22
Capital expenditure	333	262	310
Depreciation expense	162	163	175

* Figures for capital expenditure totalize fixed assets, intangible assets (goodwill excluded), and investments in securities.

(7) Cash Flows

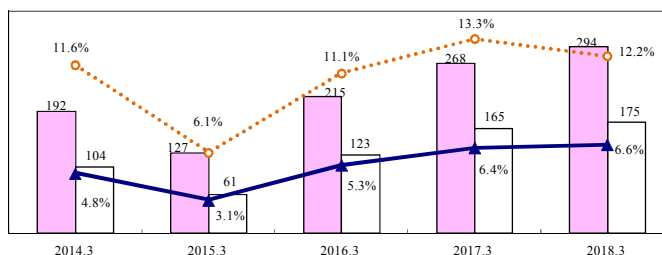
(Unit: 100 million yen)

	FY2017 end	FY2016 end	Change
Cash and cash equivalents at beginning of year	212	228	(16)
Cash flows from operating activities	285	372	(87)
Cash flows from investing activities	(264)	(303)	39
Free cash flow	20	68	(47)
Cash flows from financing activities	(63)	(81)	17
Effect of exchange rate changes	3	(5)	9
Net increase (decrease) in cash and cash equivalents	(38)	(18)	(20)
Increase (decrease) in cash and cash equivalents resulting from changes of scope of consolidation	2	1	1
Increase in cash and cash equivalents resulting from merger with nonconsolidated subsidiaries	1	0	1
Cash and cash equivalents at end of period	177	212	(34)

(8) Changes in the main management indicators (five-year)

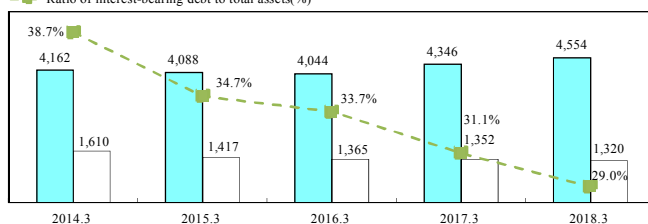
【Profitability】

■ Ordinary income (100 million yen)
□ Profit attributable to owners of parent (100 million yen)
▲ ROA (%)
● ROE (%)



【Financial condition】

■ Total assets (100 million yen)
□ Interest-bearing debt, gross (100 million yen)
■ Ratio of interest-bearing debt to total assets (%)



(9) Results Forecast for FY2018

(Unit: 100 million yen)

	FY2018 (Forecast)	FY2017	Change	Rate
Net sales	7,350	6,707	642	9.6%
Operating income	284	271	12	4.4%
Ordinary income	300	294	5	2.0%
Profit attributable to owners of parent	180	175	4	2.4%

(10) Results Forecast for FY2018 (Segment Information)

(Unit: 100 million yen)

		FY2018 (Forecast)	FY2017	Change	Rate
Energy	Net sales (Sales to outside customers)	3,380	3,190	189	5.9%
	Operating income	144	136	7	5.2%
Industrial Gases & Machinery	Net sales (Sales to outside customers)	1,950	1,745	204	11.7%
	Operating income	100	98	1	1.9%
Materials	Net sales (Sales to outside customers)	1,600	1,392	207	14.9%
	Operating income	46	44	1	2.8%
Agri-Bio & Foods	Net sales (Sales to outside customers)	350	310	39	12.7%
	Operating income	14	13	0	5.1%
Others, Adjustments	Net sales (Sales to outside customers)	70	69	0	1.1%
	Operating income	(20)	(21)	1	-

* From the fiscal year ending March 31, 2019, segments are changed. Accordingly, the segment information of the fiscal year ending March 31, 2018 is calculated based on the changed segments.