TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

January 31, 2017

Company JVCKENWOOD Corporation
Representative Takao Tsuji, President & CEO
(Code: 6632; First Section of the Tokyo Stock Exchange)
Contact Shinichiro Nishishita,
General Executive,
Corporate Communication Division
(TEL: 81-45-444-5232)

Partial Revisions to “Accounting Report for the Fiscal Year Ended March 2016”

JVCKENWOOD Corporation hereby announces that it has partially corrected the “Accounting Report for the Fiscal Year Ended March 2016.”

1. Background and Reason for Corrections

For the details and reason for the corrections, please refer to the “Notice Regarding Corrections to Earnings Results of the Company” released on January 31, 2017.

2. Details of Corrections

Corrected parts are underlined. Please note that corrections have been made to numerous items, and therefore only corrected figures are provided in this document.

TRANSLATION - FOR REFERENCE ONLY -

JVCKENWOOD

April 28, 2016

Company:	JVCKENWOOD Corporation
Representative:	Haruo Kawahara, Chairman and CEO (Code: 6632; First Section of the Tokyo Stock Exchange)
Contact:	Satoshi Fujita, CFO (Tel: +81-45-444-5232) (E-mail: prir@jvckenwood.com)

Accounting Report for the Fiscal Year Ended March 2016
(April 1, 2015 – March 31, 2016)

Consolidated Financial Highlights for the Fiscal Year Ended March 2016 (April 1, 2015 – March 31, 2016)

Operating Results (Millions of yen, except net income per share)

	FYE 3/2016 April 1, 2015 to March 31, 2016	FYE 3/2015 April 1, 2014 to March 31, 2015	Year-on-year comparison (%)
Net sales	292,195	285,010	102.5
Operating income	4,494	6,757	66.5
Ordinary income	1,291	3,362	38.4
Net income attributable to owners of parent	3,401	4,795	70.9
Net income per share	24.51 yen	34.58 yen	-

FYE: Fiscal year ended / ending

Net Sales and Operating Income by Customer industry sectors (Millions of yen)

		FYE 3/2016 April 1, 2015 to March 31, 2016	FYE 3/2015 April 1, 2014 to March 31, 2015	Year-on-year comparison
Automotive Sector *Car Electronics	Net sales	138,540	120,745	+17,795
	Operating income	400	1,431	(1,031)
Public Service Sector *Professional Systems	Net sales	80,898	85,265	(4,367)
	Operating income	1,894	3,324	(1,430)
Media Service Sector *Optical & Audio, Entertainment Software	Net sales	67,233	73,188	(5,955)
	Operating income	1,825	1,919	(94)
Others	Net sales	5,542	5,820	(278)
	Operating income	374	82	+292
Intersegment Sales or Transfer	Net sales	(19)	(10)	(9)
Total	Net sales	292,195	285,010	+7,185
	Operating income	4,494	6,757	(2,263)
	Ordinary income	1,291	3,362	(2,071)
	Net income attributable to owners of parent	3,401	4,795	(1,394)

*former business segment

Forecast for the Fiscal Year Ending March 2017

(Millions of yen)

	FYE 3/2017	FYE 3/2016	Year-on-year comparison (%)
	April 1, 2016 to March 31, 2017	April 1, 2015 to March 31, 2016	
Net sales	295,000	292,195	101.0
Operating Income	4,800	4,494	106.8
Ordinary income	3,300	1,291	255.6
Net income	300	3,401	8.8

Paying Dividends

(yen)

	Annual dividend
FYE 3/2015	5.00
FYE 3/2016	5.00
FYE 3/2017 (forecast)	Not decided

Major Products in Each Sector

Automotive Sector	Car Audio, Car AV Systems, Car Navigation Systems, CD and DVD Mechanism for Car-mounted Equipment, Home Audio, Optical Pickups for Car-mounted Equipment
Public Service Sector	Land Mobile Radio Equipment, Video Surveillance Equipment, Audio Equipment, Video Equipment, Professional Display Equipment, Medical Display Equipment
Media Service Sector	Camcorders, AV Accessories, Projectors, Displays, Imaging Devices, Planning / Production and Sales of Audio and Video Content including CDs and DVDs, Production and Sales of CDs and DVDs (prerecorded)
Others	Radio Frequency ID Systems, Other Electronic Devices, Recording Media, Interior Furniture, etc.

1. Analysis of Operating Results and Financial Position

From the fiscal year under review, the Company applied the "Accounting Standards for Business Combinations" (ASBJ Statement No. 21, issued on September 13, 2013), and therefore net income is presented as net income attributable to owners of the parent.

(1) Analysis of Operating Results

1) Overview of the fiscal year under review

Looking at the global economic conditions during the fiscal year under review, the U.S. economy continued to expand at a modest pace, underpinned mainly by strong personal consumption. In Europe, the economy recovered at a moderate pace also toward the second half of the period. On the other hand, the growth in the Chinese and other emerging economies slowed down toward the second half of the period. In addition, geopolitical risks heightened, in particular in the Middle East. As a result, the global economic conditions as a whole remained unstable. The Japanese economy was on a moderate recovery path in the first half of the period on the back of a weaker yen and low crude oil prices. However, the economy's growth started to show signs of deceleration as the Japanese yen reversed course and resumed its climb after the turn of the year, leaving the outlook for the economy uncertain.

Under these circumstances, net sales for the JVCKENWOOD Group for the fiscal year under review increased from the previous fiscal year due to the effects of acquiring businesses. Looking at profits and losses of the Group as a whole, operating income declined on a year-on-year basis. This is because the amount of unplanned advanced R&D investment increased in the Dealer-installed Option Business and Factory-installed Option Business in the Automotive Sector due to the winning of new orders that exceeded our plan, and there were also effects of unfavorable exchange rate fluctuations, in particular, in the first half of the period. However, the Group's operations are becoming stabilized.

Profit-and-loss exchange rates used when preparing the financial statements for the fiscal year under review are as follows.

		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Full Year
Profit-and-loss exchange rate	U.S. dollar	approx. 121 yen	approx. 122 yen	approx. 121 yen	approx. 115 yen	approx. 120 yen
	Euro	approx. 134 yen	approx. 136 yen	approx. 133 yen	approx. 127 yen	approx. 133 yen
FY2015 (for reference)	U.S. dollar	approx. 102 yen	approx. 104 yen	approx. 114 yen	approx. 119 yen	approx. 110 yen
	Euro	approx. 140 yen	approx. 138 yen	approx. 143 yen	approx. 134 yen	approx. 139 yen

***Net Sales**

Net sales for the fiscal year under review increased by about 7,200 million yen, or 2.5%, year-on-year to 292,195 million yen, due to the effects of acquiring businesses.

Sales in the Automotive Sector increased, due to the effects of making ASK Industries S.p.A. ("ASK") into a consolidated subsidiary effective April 1, 2015. While sales in the communication systems subsidiary in the U.S. increased, sales in the professional radio systems business decreased. As a result, sales in the Public Services Sector declined. In the meantime, sales in the Media Services Sector decreased, due to the effects of transferring all the shares of TEICHIKU ENTERTAINMENT, INC. ("TEICHIKU") effective April 28, 2015.

***Operating Income**

Operating income for the fiscal year under review declined by about 2,300 million yen, or 33.5%, year-on-year to 4,494 million yen.

Operating income in the Automotive Sector decreased, due largely to the increase in the amount of unplanned advanced R&D investment in the Dealer-installed Option Business and Factory-installed Option Business, resulting from the winning of new orders that exceeded our plan. Operating income in the Public Services Sector declined due to the decrease in profit in the professional radio sysytems business. Operating income in the Media Services Sector declined due to the effects of transferring all the shares of TEICHIKU.

***Ordinary Income**

Ordinary income for the fiscal year under review declined by about 2,100 million yen, or 61.6%, year-on-year to 1,291 million yen, due mainly to the decline in operating income.

***Net Income Attributable to Owners of Parent**

Net income attributable to owners of the parent for the fiscal year under review declined by about 1,400 million yen, or 29.1%, year-on-year to 3,401 million yen. This was mainly attributable to posting deferred tax assets for its U.S. subsidiary, with about 2,300 million yen credited as income taxes-deferred, and an extraordinary loss of about 1,100 million yen as an impairment loss on real estate due to changing the use of the real estate of the Maebashi Office as announced in the "Notice Regarding Posting of Deferred Tax Assets and Extraordinary Loss and Revision of Earnings Forecast" released on April 22, 2016. It was also due to the decrease in ordinary income.

(Net Sales and Profits and Losses by Business Segment)

In accordance with "Vision 2020," a mid- to long-term business plan released on May 18, 2015, JVCKENWOOD is taking a step forward and going from being a traditional manufacturing and sales company to being one that creates customer value by providing solutions to their problems. As part of such initiative, JVCKENWOOD, on July 1, 2015, reorganized the four business segments of Car Electronics, Professional Systems, Optical & Audio and Entertainment Software into three sectors based on customers' industries — Automotive Sector, Public Services Sector and Media Services Sector.

Net sales and operating income by business segment are as follows.

The total amount of operating income by business segment is consistent with the operating income in the Consolidated Statements of Income.

Net sales by business segment include inter-segment sales or transfer.

(Million yen)

Segment		FYE3/2016	FYE3/2015	YoY comparison
Automotive Sector (Former Car Electronics Segment)	Net sales	138,540	120,745	＋17,795
	Operating income	400	1,431	(1,031)
Public Services Sector (Former Professional Systems Segment)	Net sales	80,898	85,265	(4,367)
	Operating income	1,894	3,324	(1,430)
Media Services Sector (Former Optical & Audio Segment, Entertainment Software Segment)	Net sales	67,233	73,188	(5,955)
	Operating income	1,825	1,919	(94)
Others	Net sales	5,542	5,820	(278)
	Operating income	374	82	＋292
Inter-segment elimination	Net sales	(19)	(10)	(9)
Total	Net sales	292,195	285,010	＋7,185
	Operating income	4,494	6,757	(2,263)
	Ordinary income	1,291	3,362	(2,071)
	Net income attributable to owners of parent	3,401	4,795	(1,394)

*Automotive Sector

Net sales in the Automotive Sector for the fiscal year under review increased by about 17,800 million yen, or 14.7%, year-on-year to 138,540 million yen, while operating income decreased by about 1,000 million yen, or 72.0%, year-on-year to 400 million yen.

(Net Sales)

In the Consumer Business, sales of Saisoku-Navi, an SSD-type of AV car navigation system, were strong in the domestic market. In overseas markets, although sales were firm for display audio systems in the U.S., sales were negatively affected by an economic downturn in the Middle East and weak market conditions in Europe. As a result, net sales in the Consumer Business declined from the previous fiscal year.

In the Dealer-installed Option Business, net sales increased substantially, due largely to the start of shipment of dealer-installed option products for new customers.

In the Factory-installed Option Business, net sales surged due to factors such as the addition of sales of ASK, which became a consolidated subsidiary effective April 1, 2015.

(Operating Income)

In the Consumer Business, operating income for the fiscal year under review increased from the previous fiscal year, due to the strong market conditions in Japan and the U.S., although there were effects of a decrease in net sales.

In the Dealer-installed Option Business, operating income decreased from the previous fiscal year, mainly because of the increase in the amount of unplanned advanced R&D investment as a result of winning new orders that exceeded our plan.

In the Factory-installed Option Business, operating income declined from the previous fiscal year, due largely to increases in R&D investment associated with next-generation businesses and the winning of new orders, despite the profit increase resulting from the consolidation of sales of ASK.

*Public Services Sector

Net sales in the Public Services Sector for the fiscal year under review declined by about 4,400 million yen, or 5.1%, year-on-year to 80,898 million yen, and operating income declined by about 1,400 million yen, or 43.0%, year-on-year to 1,894 million yen.

(Net Sales)

Net sales in the Communications Systems Business (formerly Communications Business) decreased from the previous fiscal year, owing to factors including the decrease in sales of professional radio systems for railroads in the U.S. due mostly to the effects of the fall in crude oil prices.

Net sales in the Professional Systems Business declined from the previous fiscal year, due largely to the effects of narrowing our product line in overseas markets. Net sales in the Healthcare Business decreased from the previous fiscal year, due mainly to sales decreases in both the domestic and overseas markets.

(Operating Income)

In the Communications Systems Business, operating income decreased from the previous fiscal year, due to the aforementioned factors for the sales decrease. In the meantime, EF Johnson Technologies, Inc. ("EFJT"), the Group's major communications systems subsidiary in the U.S., achieved increases in both sales and profit from the previous fiscal year owing to its efforts for boosting sales activities.

In the Professional Systems Business, operating income increased from the previous fiscal year, due largely to a better product mix and the effects of cost reduction. In the Healthcare Business, operating income declined from the previous fiscal year due to the sales decrease.

*Media Services Sector

Net sales in the Media Services Sector for the fiscal year under review declined by about 6,000 million yen, or 8.1%, year-on-year to 67,233 million yen, and operating income decreased by about 100 million yen, or 4.9%, year-on-year to 1,825 million yen.

(Net Sales)

In the Media Business, net sales were roughly on a par with the previous fiscal year. This was largely because sales of projectors increased year-on-year as the business saw a recovery in sales in the second half of the period, although sales of consumer video cameras were affected by the narrowing product line.

In the Entertainment Business, net sales decreased from the previous fiscal year, due mostly to the effects of transferring all the shares of TEICHIKU.

(Operating Income)

In the Media Business, operating income increased due to the effects of a better product mix for consumer video cameras and decrease in loss from image devices as a result of sales increase.

In the Entertainment Business, operating income declined due to the effect of transferring all the shares of TEICHIKU.

2) Outlook for the Next Fiscal Year

Looking at the outlook for the next period (fiscal year ending March 2017), the Automotive Sector, which is categorized as growth-leading businesses, is expected to record increases in both sales and profit. This will be attributable to the full-scale start of shipment of new orders for dealer-installed option products in the OEM Business.

In the Public Services Sector, which is categorized as profit-base businesses, is expected to record increases in both sales and profit. This is mainly because EFJT and Zetron Inc. ("Zetron"), which are the Group's communications systems subsidiaries in the U.S., are expected to record sales increases, although the Group's earnings will continue to be affected by the decrease in sales of railroad wireless systems terminals in the U.S. due largely to the effects of the fall in crude oil prices.

Driven by strong performance in those two business sectors, the JVCKENWOOD Group as a whole expects to see an increase in both sales and profit for the fiscal year ending March 2017. However, the Group's earnings are expected to be affected by a decrease in both sales and profit in the Media Services Sector owing to a decrease in sales and profit in the Entertainment Business and by exchange rate fluctuations.

The JVCKENWOOD group's earnings forecast is: net sales of 295,000 million yen, operating income of 4,800 million yen, ordinary income of 3,300 million yen and net income attributable to owners of the parent of 300 million yen.

(2) Analysis of Financial Position

(Analysis of Assets, Liabilities, Net Assets, etc.)

*Assets

Total assets decreased by about 22,700 million yen from the end of the previous fiscal year to 256,334 million yen. This was largely because of a decrease in cash and deposits as a result of acquiring shares of ASK and acquiring additional shares of Shinwa International Holdings Limited ("Shinwa") as well as redeeming unsecured bonds at maturity, and a decline in net defined benefit asset.

*Liabilities

As for liabilities, JVCKENWOOD extended terms of bank borrowings through refinancing, which resulted in a decrease in current liabilities and an increase in non-current liabilities. As a result, total liabilities were roughly on a par with the end of the previous fiscal year at 198,768 million yen.

Interest-bearing debts (sum of loans payable and bonds payable) declined by about 4,400 million yen from the end of the previous fiscal year to 69,202 million yen as a result of redeeming unsecured bonds at maturity. Net debts (amount obtained by subtracting cash and deposits from interest-bearing debts) increased by approximately 7,900 million yen from the end of the previous fiscal year to 26,437 million yen as a result of the decrease in cash and deposits.

*Net Assets

During the fiscal year under review, retained earnings increased due to the recording of net income attributable to owners of the parent. As a result, total shareholders' equity increased by approximately 2,900 million yen from the end of the previous fiscal year to 80,665 million yen.

Total net assets declined by about 22,200 million yen from the end of the previous fiscal year to 57,565 million yen, despite the increase in shareholders' equity. This was mainly due to decreases in foreign currency translation adjustments (by about 7,400 million yen) as a result of the appreciation of the yen and in remeasurements of defined benefit plans (by about 14,300 million yen) due to lower interest rates. The capital adequacy ratio dropped by 5.5 percentage points from the end of the previous fiscal year to 20.4%, due largely to the decrease in net assets.

(Cash Flow Analysis)

*Cash Flow from Operating Activities

Net cash provided by operating activities for the fiscal year under review increased by about 3,700 million yen from the previous fiscal year to 12,258 million yen. This was primarily due to a decrease in notes and accounts receivable-trade and a substantial decline in payments of expenses for employment-related structural reforms included in accounts payable-other.

*Cash Flow from Investing Activities

Net cash used in investing activities for the fiscal year under review increased by about 4,500 million yen from the previous fiscal year to 8,395 million yen. This mainly reflected cash used for the acquisition of shares of a subsidiary accompanied by a change in the scope of consolidation in association with conversion of ASK into a consolidated subsidiary, and an increase in cash spent on purchasing property, plant and equipment.

*Cash Flow from Financing Activities

Net cash used in financing activities for the fiscal year under review increased by about 7,500 million yen from the previous fiscal year to 14,967 million yen. This was mainly attributable to an outflow of cash for bond redemption and for acquisition of additional shares of Shinwa.

Cash and cash equivalents at the end of the fiscal year under review decreased by about 12,900 million yen from the end of the previous fiscal year to 41,551 million yen.

(3) Basic Policy for Profit Distribution and Dividends for the Current and the Next Year

JVCKENWOOD's most important management priorities include stable distribution of profits and ensuring the necessary management resources for future growth. The amount of dividend of surplus and other amounts appropriated are determined by giving comprehensive consideration to the Group's profitability and financial conditions.

For the fiscal year ended March 2016, JVCKENWOOD is scheduled to distribute an annual dividend (year-end) of 5 yen per share based on its profit performance and above-mentioned dividend policy, as announced in the "Accounting Report for the Fiscal Year Ended March 2015" on April 28, 2015.

The dividend for the next fiscal year ending March 2017 is not decided at this moment.

2. Management Policy

(1) Basic Management Policy of the Company

Under the corporate vision of "Creating excitement and peace of mind for the people of the world," the JVCKENWOOD Group aims to achieve profitable growth, become a company that provides new value to stakeholders, and be widely trusted by society. To achieve these goals, the JVCKENWOOD Group focuses on its strengths as a global specialized company creating excitement and peace of mind for customers.

(2) Mid- to Long-term Strategies of the Company

There have been structural changes in the external environment surrounding the JVCKENWOOD Group, such as the rapid fall of the yen; a shrinking consumer electronics market due to the widespread use of smartphones; and innovations in digital and optical technologies such as clouds and big data. In light of such changes, the JVCKENWOOD Group drew up a new mid- to long-term business plan, "Vision 2020," that looks ahead to fiscal year 2020 and announced it on May 18, 2015. Under Vision 2020, JVCKENWOOD is promoting its businesses, and spotlighting fields where it can take advantage of its strengths by carrying out performance evaluations and business portfolio management using return on equity (ROE) as a major business indicator and return on invested capital (ROIC) as an internal management indicator. In this way, JVCKENWOOD is working to transform itself from a traditional manufacturing and sales company to one that creates customer value by providing solutions to customers' problems.

Looking toward fiscal year 2017, based on the above-mentioned long-term vision, JVCKENWOOD will re-focus on developed markets and pursue an aggressive approach to growth in emerging markets as its strategy. This is based on the recognition that there is still a lot of room to create customer value in both developed and emerging markets. At the same time, JVCKENWOOD will employ a business strategy of integrating its strength in order to create new demand in next-generation business areas.

(3) Issues to Be Addressed by the Company

With a view to achieving the goals set out in Vision 2020, the JVCKENWOOD Group classified its businesses into three categories — "growth-leading businesses," "profit-base businesses," and "other businesses" — considering their consistency with the long-term vision and capital profitability to manage its business portfolio. The Group will allocate management resources, execute strategic M&As and take other measures according to the characteristics of each business. The idea is that stable profit generated by profit-base businesses, namely, the Public Services Sector and Media Services Sector, will support investments for growth in growth-leading businesses in the Automotive Sector. As a result, in the long run, the Automotive Sector will contribute approximately half of the profit of the JVCKENWOOD Group, supported by the Public Services and Media Services Sectors, thereby transforming its business structure into which realizes significant profit growth.

For the fiscal year ending March 2017 (fiscal year 2016), the JVCKENWOOD Group will implement the following measures for each sector toward realization of Vision 2020.

1) Automotive Sector

Consumer Business

- Increase the market share by enhancing the product lineup of navigation systems/event data recorders (EDR) in the buoyant domestic market
- Secure a strong position in overseas markets by expanding display audio systems

OEM Business

- Further accelerate penetration in the Dealer-installed Option Business, which leads growth in the short and medium term, by expanding product assortment
- Increase the operational efficiency by integrating operations of the OEM Business for dealer-installed option products and factory-installed option products
- Reduce development costs by promoting adoption of common platforms
- Accelerate commercialization of CAROPTRONICS toward long-term growth

2) Public Services Sector

Communication systems

- Step up the development of integrated systems by establishing an integrated system business center by JVCKENWOOD, Zetron and EFJT
- Strengthen sales of digital radio systems that support P25 (a digital radio standard designed mainly for North America) for the public safety market and sales of consumer digital radio systems based on JVCKENWOOD's proprietary NEXEDGE technology with prices in affordable range
- Expand the system business at EFJT and boost sales of Zetron's products to public utilities operators and transportation service providers

Professional systems

- Expand the solution business at JVCKENWOOD Public & Industrial Systems Corporation, a new organization established through a company split

3) Media Services Sector

Media Business

- Secure a profit base by developing technologies and products for industrial use and accelerating the shift from selling products only to selling solutions
- Make a full-scale entry into the next-generation creation (camera) and image devices business

Entertainment Business

- Enhance the lineup of artists with a focus on pop music artists
- Strengthen the service provider business, such as those for live concerts and goods sales
- Increase the operational efficiency of JVCKENWOOD Creative Media Corporation, a CD/DVD pressing subsidiary, by relocating its Yokosuka Plant

3. Basic Policy on Selecting Accounting Standards

To prepare for the application of IFRS in the future, JVCKENWOOD is currently preparing internal manuals, guidelines, etc. and is examining the time to apply them.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2015)	Current Fiscal Year (as of Mar. 31, 2016)
Assets		
Current assets		
Cash and cash equivalents	55,077	42,764
Trade notes and accounts receivable	57,944	55,517
Merchandise and finished goods	25,836	25,419
Work in process	2,935	4,573
Raw materials and supplies	8,381	10,094
Deferred tax assets	3,836	3,110
Other current assets	9,012	10,385
Allowance for doubtful accounts	(1,612)	(1,448)
Total current assets	161,411	150,417
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	13,009	13,103
Machinery and equipment, net	6,870	7,068
Tools, furniture and fixtures, net	5,451	5,463
Land	27,703	22,875
Construction in progress	400	2,996
Total property, plant and equipment, net	53,435	51,506
Intangible fixed assets		
Goodwill	7,998	8,087
Software	9,818	12,105
Other intangible fixed assets	5,282	4,785
Total intangible fixed assets	23,099	24,978
Investments and other assets		
Investment securities	5,058	5,966
Net defined benefit asset	29,729	14,955
Deferred tax assets	3,504	5,916
Other investments	3,714	3,276
Allowance for doubtful accounts	(911)	(683)
Total investments and other assets	41,095	29,431
Total fixed assets	117,630	105,916
Total assets	279,041	256,334

(JPY in Million)

	Previous Fiscal Year (as of Mar. 31, 2015)	Current Fiscal Year (as of Mar. 31, 2016)
Liabilities		
Current liabilities		
Trade notes and accounts payable	30,033	32,639
Short-term loans payable	16,827	10,660
Current portion of bonds payable	5,946	—
Current portion of long-term loans payable	43,009	12,279
Other accounts payable	10,584	10,295
Accrued expenses	19,196	18,333
Income taxes payable	1,762	2,371
Warranty reserves	1,505	1,250
Sales return reserves	1,418	722
Other current liabilities	8,906	11,234
Total current liabilities	139,189	99,787
Long-term liabilities		
Long-term loans payable	7,835	46,262
Deferred tax liabilities for land revaluation	1,606	1,523
Deferred tax liabilities	14,548	8,046
Net defined benefit liability	33,357	39,788
Other long-term liabilities	2,742	3,358
Total long-term liabilities	60,090	98,980
Total liabilities	199,279	198,768
Equity		
Shareholders' equity		
Common stock	10,000	10,000
Capital surplus	45,875	45,573
Retained earnings	22,421	25,128
Treasury stock	(538)	(36)
Total shareholders' equity	77,758	80,665
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	569	445
Deferred loss on derivatives under hedge accounting	—	(1,075)
Land revaluation surplus	3,375	3,458
Foreign currency translation adjustments	(6,383)	(13,820)
Remeasurements of defined benefit plans	(3,000)	(17,349)
Total accumulated other comprehensive income	(5,437)	(28,341)
Non-controlling interests	7,441	5,241
Total equity	79,762	57,565
Total liabilities and equity	279,041	256,334

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

(Consolidated Statement of Income)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2014 - Mar.31, 2015)	Current Fiscal Year (Apr.1, 2015 – Mar.31, 2016)
Net sales	285,010	292,195
Cost of sales	200,049	210,757
Gross profit	84,960	81,437
Selling, general and administrative expenses	78,203	76,942
Operating income	6,757	4,494
Non-operating income		
Interest income	181	197
Dividend income	220	196
Royalty income	149	105
Rent income	116	131
Other non-operating income	868	568
Total non-operating income	1,535	1,200
Non-operating expense		
Interest expense	1,944	1,544
Borrowing costs	467	930
Foreign exchange loss	1,078	515
Other non-operating expenses	1,438	1,412
Total non-operating expense	4,929	4,402
Ordinary income	3,362	1,291
Extraordinary profit		
Gain on sales of property, plant and equipment	5,427	5,472
Gain on sales of investment securities	190	1
Gain on sales of shares in subsidiaries and associated companies	—	405
Gain on liquidation of subsidiaries and associates	398	1,153
Gain on reversal of stock acquisition rights	806	—
Other extraordinary profit	120	—
Total extraordinary profit	6,942	7,032
Extraordinary loss		
Loss on sales of property, plant and equipment	12	26
Loss on disposal of property, plant and equipment	176	44
Loss on impairment of long-lived assets	—	2,866
Loss on sales of shares in subsidiaries and associated companies	1,105	—
Business structural improvement expenses	295	143
Employment structural improvement expenses	1,237	594
Loss on disposal of inventory from discountinued business	444	—
Other extraordinary loss	216	501
Total extraordinary loss	3,489	4,176
Income before income taxes and minority interests	6,816	4,148
Income taxes - current	2,634	2,942
Income taxes - deferred	(1,474)	(2,872)
Total income taxes	1,160	69
Net income	5,655	4,079
Net Income attributable to non-controlling interests	860	678

Net income attributable to owners of parent	4,795	3,401

(Consolidated Statement of Comprehensive Income)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2014 - Mar.31, 2015)	Current Fiscal Year (Apr.1, 2015 – Mar.31, 2016)
Net income	5,655	4,079
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities	353	(130)
Land revaluation surplus	166	82
Deferred loss on derivatives under hedge accounting	—	(1,075)
Foreign currency translation adjustments	8,076	(7,858)
Remeasurements of defined benefit plans	7,981	(14,347)
Total other comprehensive income	16,577	(23,329)
Comprehensive income	22,233	(19,250)
Total comprehensive income attributable to:		
Owners of the parent	20,394	(19,502)
Non-controlling interests	1,839	252

(4) Consolidated Statement of Cash Flows

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2014 - Mar.31, 2015)	Current Fiscal Year (Apr.1, 2015 – Mar.31, 2016)
Cash flows from operating activities		
Income before income taxes and minority interests	6,816	4,148
Depreciation	10,465	11,631
Amortization of goodwill	536	603
Loss on impairment of long-lived assets	—	2,866
Decrease in allowance for doubtful accounts	(258)	(326)
Increase in net defined benefit liability	4,821	3,716
Increase in net defined benefit asset	(2,403)	(3,502)
Interest and dividend income	(401)	(394)
Interest expense	1,944	1,544
Gain on sales of investment securities	(190)	(1)
(Gain) loss on sales of shares in subsidiaries and associated companies	1,105	(405)
Gain on liquidation of subsidiaries and associates	(398)	(1,153)
Gain on reversal of stock acquisition rights	(806)	—
Loss on disposal of property, plant and equipment	176	44
Gain on sales of property, plant and equipment	(5,415)	(5,446)
Decrease in trade notes and accounts receivable	978	4,606
Increase in inventories	(460)	(1,202)
(Decrease) increase in trade notes and accounts payable	76	(686)
Decrease in other accounts payable	(4,158)	(392)
Increase in accrued expenses	127	85
Other, net	(488)	504
Sub-total	12,068	16,239
Interest and dividend received	401	394
Interest paid	(1,781)	(1,537)
Income taxes paid	(2,112)	(2,838)
Net cash provided by operating activities	8,575	12,258
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,922)	(7,531)
Proceeds from sales of property, plant and equipment	833	9,716
Purchase of intangible fixed assets	(6,554)	(7,382)
Proceeds from sales of intangible fixed assets	7,171	0
Purchase of investment securities	(961)	(1,182)
Proceeds from sales of investment securities	489	—
Purchases of investments in subsidiaries resulting in change of scope of consolidation	—	(2,080)
Proceeds from sales of investments in subsidiaries resulting in change of scope of consolidation	567	1,092
Other, net	(481)	(1,027)
Net cash used in investing activities	(3,857)	(8,395)

(JPY in Million)

	Previous Fiscal Year (Apr.1, 2014 - Mar.31, 2015)	Current Fiscal Year (Apr.1, 2015 – Mar.31, 2016)
Cash flows from financing activities		
Decrease in short-term loans payable, net	(551)	(9,430)
Proceeds from long-term loans payable	2,500	57,477
Repayment of long-term loans payable	(10,212)	(51,923)
Redemption of bonds	—	(6,000)
Cash dividends paid	—	(693)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(1,523)
Other, net	749	(2,873)
Net cash used in financing activities	(7,514)	(14,967)
Effect of exchange rate changes on cash and cash equivalents	2,511	(1,796)
Net decrease in cash and cash equivalents	(284)	(12,900)
Cash and cash equivalents at beginning of year	54,737	54,452
Cash and cash equivalents at end of year	54,452	41,551