May 12, 2017

Consolidated Financial Highlights for the Year Ended March 31, 2017 [under Japanese GAAP]

Company name : **SMC Corporation**
Stock exchange listing : **Tokyo Stock Exchange first section**
Security code : **6273**
URL : http://www.smcworld.com/ir/en/
Representative : **Katsunori Maruyama, President**
Contact person : **Ikuji Usui, Executive Managing Director**
Projected date of annual shareholders' meeting : **June 28, 2017**
Projected date of filing Annual report : **June 28, 2017**
Projected starting date of dividend payment : **June 29, 2017**

1. Consolidated Financial Highlights for the Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Millions of yen, except per share figures)

(1) Consolidated Operating Results

Fiscal Year ended March 31	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
2017	487,625	2.5%	141,107	5.1%	148,237	14.7%	113,095	22.7%
2016	475,608	3.8%	134,233	5.1%	129,188	(18.7%)	92,138	(15.9%)

Fiscal Year ended March 31	Net income per share (Yen)	Net income per share (diluted basis) (Yen)	Return on equity	Return on assets	Operating income ratio
2017	1,683.12	—	11.5%	12.8%	28.9%
2016	1,371.34	—	9.9%	11.5%	28.2%

(Note) Comprehensive Income Year ended March 31,2017 : ¥ 101,936 million 202.9%
Year ended March 31,2016 : ¥ 33,651 million (78.7%)
Profit/Loss on equity method Year ended March 31,2017 : —
Year ended March 31,2016 : —

(2) Consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2017	1,192,444	1,030,369	86.2%	15,292.53
2016	1,120,171	941,813	83.9%	13,981.17

(Note) Shareholders' equity As of March 31,2017 : ¥ 1,027,607 million
As of March 31,2016 : ¥ 939,409 million

(3) Consolidated Cash Flows

Fiscal Year ended March 31	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at the end of period
2017	120,949	(90,365)	(45,507)	277,449
2016	102,006	(34,282)	(34,299)	295,270

2. Dividends

For the year ended March 31	Dividend per share (Yen)					Total dividends	Dividend ratio	Dividend on equity
	1Q	2Q	3Q	4Q	Total			
2016(Actual)	—	100.00	—	100.00	200.00	13,437	14.6%	1.4%
2017(Actual)	—	100.00	—	200.00	300.00	20,158	17.8%	2.0%
2018(Projected)	—	200.00	—	Undetermined			—%	

(Note) Breakdown of the dividend per share 2017 4Q (Actual) Ordinary dividend: ¥100.00 Special dividend: ¥100.00
2018 2Q (Projected) Ordinary dividend: ¥100.00 Special dividend: ¥100.00

3. Forecasts of consolidated operating results for the Year Ending March 31, 2018

(Millions of yen, except per share figures)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share (Yen)
Half year ending September 30,2017	260,000	13.1%	75,000	10.6%	77,500	43.1%	58,000	26.5%	863.13
Year ending March 31,2018	510,000	4.6%	145,000	2.8%	150,000	1.2%	112,000	(1.0%)	1,666.74

4. Others

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2017: Yes
Newly consolidated: SMC Manufacturing (Vietnam) Co., Ltd.

(2) Change in accounting policy, treatment, and presentation manner :
1. Changes in accounting standard : Yes
2. Changes of accounting policies other than the above: None
3. Changes in accounting estimates: None
4. Retrospective restatement: None

(3) Number of shares issued	(As of March 31,2017)	(As of March 31,2016)
1. Number of common shares issued (including treasury shares)	67,369,359	67,369,359
2. Number of treasury shares	172,660	178,285
3. Average number of common shares for the year	67,193,970	67,188,543

< Reference >

Non-consolidated Financial Highlights for the Year Ended March 31, 2017
(April 1, 2016 to March 31, 2017)

(Millions of yen, except per share figures)

(1) Non-consolidated Operating Results

Fiscal Year ended March 31	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
2017	315,875	4.3%	82,791	(1.7%)	87,194	19.2%	70,423	39.3%	1,048.06
2016	302,755	5.7%	84,254	13.1%	73,164	(25.1%)	50,551	(22.0%)	752.38

(2) Non-consolidated Financial Positions

As of March 31	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
2017	728,262	604,304	83.0%	8,993.07
2016	682,194	541,370	79.4%	8,057.18

(Note) Shareholders' equity As of March 31,2017 : ¥ 604,304 million
As of March 31,2016: ¥ 541,370 million

This Highlight of consolidated results is exempt from the audit procedures.
Appropriate use of business forecasts; other special items
The forecast contains forward-looking statements that are based on available data at the time of this release.
Some factors could cause actual results to differ from expectations.

1. Overview of Operating Results

(1) Overview of the fiscal year under review

During the fiscal year under review, economic growth in China and emerging countries continued to decelerate, while consumption-led economic recovery continued in the US with personal consumption maintaining steady and personal consumption-led growth continued in the Euro zone as well, supported by monetary easing measures and expansionary fiscal policies. In Japan, while the exchange rate was unstable, the economy gradually recovered, despite a lack of strong recovery for personal consumption.

In the automatic control equipment business, there was a strong demand related to semiconductor industries mainly in Japan, Asia and the North America and automobile industries mainly in the North America and Europe.

Under these circumstances, SMC group aggressively developed sales promotional activities and made efforts mainly to strengthen its sales capabilities, reduce distribution costs and streamline its production as well as to further enhance its visibility.

As a result, consolidated net sales for the fiscal year under review were 487,625 million yen (2.5% increase year on year). Operating income was 141,107 million yen (5.1% increase) mainly due to a revenue growth brought by increase of a steady demand, despite some factors contributing to a low revenue by the strong yen, and ordinary income was 148,237 million yen (14.7% increase) due to a large decrease in exchange loss (12,191 million yen decrease) compared to the previous period. Net income attributable to the parent company was 113,095 million yen (22.7% increase) mainly due to minus 6,938 million yen recorded as reimbursement of corporate income taxes by mutual agreement regarding the transfer pricing rules related to transactions with the subsidiary in South Korea.

ROE became 11.5%, increased by 1.6 points from the previous period.

(2) Overview of financial positions

Total assets as of the end of the fiscal year under review were 1,192,444 million yen, which was increase of 72,273 million yen (6.5%) yoy, mainly due to increases in cash and deposits, notes and accounts receivable – trade, and securities, despite a decrease mainly in other investments by cancellation of long-term time deposits.

Total liabilities decreased 16,282 million yen (9.1%) yoy to 162,075 million yen, due to decrease in short-term loans payable by repayment.

Net assets increased 88,555 million yen (9.4%) yoy to 1,030,369 million yen, mainly due to increase in retained earnings while a significant decrease in foreign currency translation adjustment as a result of the strong yen.

(3) Overview of cash flow

The balance of cash and cash equivalents (hereinafter “cash”) as of the end of the fiscal year under review was 277,449 million yen, a decrease of 17,821 million yen yoy.

(Cash flow from operating activities)

Net cash provided by operating activities was 120,949 million yen (revenue increase of 18,943 million yen yoy). This is primarily attributable to 145,671 million yen of income before income taxes and minority interests, 14,246 million yen of depreciation, 2,708 million yen of impairment loss, and 28,676 million yen of income taxes paid.

(Cash flow from investment activities)

Net cash used in investing activities was 90,365 million yen (increase of 56,083 million yen yoy). This is primarily attributable to 40,899 million yen of net increase in time deposits, 21,900 million yen of net increase in short-term investment securities, and 19,273 million yen of purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities was 45,507 million yen (increase of 11,207 million yen yoy). This is primarily attributable to 30,200 million yen of net decrease in short-term loans payable and 13,438 million yen of cash dividends paid.

(4) Outlook for the next fiscal year

During the next fiscal year, economic growth in the U.S., China and the Euro zone is expected to be sustainably secured. In Japan, the economy is expected to gradually recover mainly due to a rebound of personal consumption by improvements in an employment situation including a labor shortage.

Given this environment, SMC group will continue its efforts to achieve “Long-term Management Vision” as hereinafter defined.

Consolidated financial results for the next fiscal year are forecasted to be as follows, assuming average exchange rates of the U.S. dollar, the euro against the yen and the Chinese yuan against yen are 105 yen, 115 yen and 15.80 yen, respectively.

(Millions of yen)

	Forecast for consolidated financial results			
	First half		Full year	
		yoy change (%)		yoy change (%)
Net sales	260,000	13.1%	510,000	4.6%
Operating income	75,000	10.6%	145,000	2.8%
Ordinary income	77,500	43.1%	150,000	1.2%
Profit attributable to owners of parent	58,000	26.5%	112,000	(1.0%)

(5) Basic profit distribution policy, and dividends for the fiscal year under review and the next fiscal year

SMC considers that its highest priority issue is to maximize shareholder value through corporate value improvement accompanied by mid- to long-term profit growth.

SMC will also strive to increase net assets and create an environment enabling smooth capital procurement by maintaining high ratings so that it can build a solid financial base that is not affected by financial and economic turmoil and rapid changes in foreign exchange rates like those occurred in connection with the collapse of Lehman Brothers in 2008.

In addition, SMC will continue to maintain its competitive advantage, positively make necessary investments in production facilities, research and development activities, human resources, etc. for sustained operations, and keep adequate cash on hand to meet relevant capital requirements.

To increase shareholder returns, SMC basically continues to pay stable dividends and also flexibly acquire treasury shares depending on situations.

SMC plans to pay a year-end dividend of 200 yen per share (100 yen for an ordinary dividend and 100 yen for a special dividend) for the fiscal year under review in consideration of the latest operating results and financial positions, which, together with the interim dividend of 100 yen per share paid last December, will result in a full-year dividend of 300 yen.

Next fiscal year, SMC plans to pay 200 yen per share (100 yen for an ordinary dividend and 100 yen for a special dividend) as an interim dividend and will disclose a year-end dividend, as soon as it is determined, depending on the future situation.

2. Management Policy

SMC Group declared its “Management Philosophy” as follows.

And issues that SMC group needs to deal with toward the future are clarified as the “Long-term Management Vision”.

(1) Management Philosophy

1. Contributing to automated, labor-saving operations

   SMC considers that its social mission is “contributing to automated, labor-saving operations in industries” through the manufacturing and sales of automatic control equipment including pneumatic instruments.

2. Focusing on the main business

   As a maker of component parts “contributing to automated, labor-saving operations in industries,” SMC fulfills its objectives and strives to improve its competitive advantages by concentrating its management resources on the automatic control equipment business, its main business.

3. Supplying products globally

   SMC will supply products that can meet the rules and needs of foreign countries and regions and are accepted in all the markets of the world.

(2) Long-term Management Vision

1. SMC strives to develop products capable of accurately capturing customer needs and to create a framework capable of responding to customer requests for delivery dates, quality, prices, etc.
2. SMC focuses on newly expanding production facilities and replacing existing facilities, establishes a globally optimal production system with future vision in mind, and accelerates rationalization and cost reduction.
3. SMC aims to survive competitions in the global markets and to acquire higher market shares.

3. Basic concept on selection of accounting standards

SMC Group has adopted accounting standards based on Japanese GAAP.

For IFRS adoption, our policy is to respond appropriately based on domestic and international situation and trend of other companies while acquiring knowledge of IFRS and understanding difference between IFRS and Japanese GAAP.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
[ASSETS]		
Current assets		
Cash and deposits	412,707	459,874
Notes and accounts receivable-trade	118,264	141,057
Securities	—	22,401
Merchandise and finished goods	79,645	79,909
Work in process	15,650	15,001
Raw materials and supplies	87,267	84,274
Deferred tax assets	20,547	19,806
Other	13,933	14,421
Allowance for doubtful accounts	(894)	(818)
Total current assets	**747,123**	**835,928**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	65,918	74,603
Machinery, equipment and vehicles, net	32,167	28,332
Tools, furniture and fixtures, net	7,000	6,278
Land	32,232	32,705
Construction in progress	10,990	7,332
Total property, plant and equipment	**148,309**	**149,252**
Intangible assets		
Leasehold right	3,339	8,349
Other	1,213	2,710
Total intangible assets	**4,553**	**11,060**
Investments and other assets		
Investment securities	44,311	54,187
Net defined benefit asset	73	73
Insurance funds	118,992	122,966
Other	58,696	20,784
Allowance for doubtful accounts	(1,889)	(1,808)
Total investments and other assets	**220,184**	**196,203**
Total non-current assets	**373,048**	**356,516**
Total assets	**1,120,171**	**1,192,444**

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
[LIABILITIES]		
Current liabilities		
Notes and accounts payable-trade	55,405	60,648
Short-term loans payable	45,918	11,735
Income taxes payable	12,352	20,066
Provision for bonuses	2,611	2,812
Other	33,962	34,177
Total current liabilities	**150,249**	**129,439**
Non-current liabilities		
Long-term loans payable	3,325	5,338
Deferred tax liabilities	7,855	11,374
Provision for directors' retirement benefits	808	869
Net defined benefit liability	9,388	8,427
Other	6,730	6,627
Total non-current liabilities	**28,108**	**32,635**
Total liabilities	**178,357**	**162,075**
[NET ASSETS]		
Shareholders' equity		
Capital stock	61,005	61,005
Capital surplus	72,778	72,871
Retained earnings	775,655	875,230
Treasury shares	(3,411)	(3,348)
Total shareholders' equity	**906,027**	**1,005,758**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,879	8,864
Foreign currency translation adjustment	32,336	14,459
Remeasurements of defined benefit plans	(1,833)	(1,475)
Total accumulated other comprehensive income	**33,381**	**21,848**
Non-controlling interests	**2,403**	**2,761**
Total net assets	**941,813**	**1,030,369**
Total liabilities and net assets	**1,120,171**	**1,192,444**

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

1. Consolidated Statement of Income

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Net sales	**475,608**	**487,625**
Cost of sales	**238,227**	**244,476**
Gross profit	**237,381**	**243,148**
Selling, general and administrative expenses	**103,147**	**102,041**
Operating income	**134,233**	**141,107**
Non-operating income		
Interest income	5,553	5,946
Gain on investments in insurance funds	1,823	716
Other	2,474	3,044
Total non-operating income	**9,851**	**9,707**
Non-operating expenses		
Foreign exchange losses	14,245	2,054
Other	651	523
Total non-operating expenses	**14,897**	**2,577**
Ordinary income	**129,188**	**148,237**
Extraordinary income		
Gain on sales of non-current assets	241	337
Gain on sales of investment securities	166	276
Other	1	28
Total extraordinary income	**409**	**642**
Extraordinary losses		
Loss on retirement of non-current assets	104	81
Impairment loss	―	2,708
Loss on sales of investment securities	132	392
Other	16	25
Total extraordinary losses	**253**	**3,208**
Profit before income taxes	**129,343**	**145,671**
Income taxes-current	36,112	35,466
Income taxes for prior periods	―	(6,938)
Income taxes-deferred	874	3,726
Total income taxes	**36,986**	**32,254**
Profit	**92,356**	**113,417**
Profit attributable to non-controlling interests	**218**	**321**
Profit attributable to owners of parent	**92,138**	**113,095**

2. Consolidated Statement of Comprehensive Income

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Profit	**92,356**	**113,417**
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,977)	6,053
Foreign currency translation adjustment	(49,366)	(17,892)
Remeasurements of defined benefit plans, net of tax	(6,361)	357
Total other comprehensive income	**(58,705)**	**(11,480)**
Comprehensive income	**33,651**	**101,936**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	33,454	101,562
Comprehensive income attributable to non-controlling interests	197	373

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of the period	61,005	72,677	696,953	(3,458)	827,178
Changes of items during period					
Dividends of surplus			(13,437)		(13,437)
Profit attributable to owners of parent			92,138		92,138
Purchase of treasury shares				(25)	(25)
Disposal of treasury shares		100		72	173
Change of scope of consolidation					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	100	78,701	46	78,848
Net assets at end of the period	61,005	72,778	775,655	(3,411)	906,027

	Other accumulated comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of the period	5,841	81,697	4,527	92,066	2,238	921,483
Changes of items during period						
Dividends of surplus						(13,437)
Profit attributable to owners of parent						92,138
Purchase of treasury shares						(25)
Disposal of treasury shares						173
Change of scope of consolidation						—
Net changes of items other than shareholders'equity	(2,962)	(49,360)	(6,361)	(58,684)	165	(58,518)
Total changes of items during period	(2,962)	(49,360)	(6,361)	(58,684)	165	20,329
Net assets at end of the period	2,879	32,336	(1,833)	33,381	2,403	941,813

Consolidated fiscal year under review (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Net assets at beginning of the period	61,005	72,778	775,655	(3,411)	906,027
Changes of items during period					
Dividends of surplus			(13,438)		(13,438)
Profit attributable to owners of parent			113,095		113,095
Purchase of treasury shares				(20)	(20)
Disposal of treasury shares		92		83	175
Change of scope of consolidation			(81)		(81)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	92	99,575	63	99,730
Net assets at end of the period	61,005	72,871	875,230	(3,348)	1,005,758

	Other accumulated comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net assets at beginning of the period	2,879	32,336	(1,833)	33,381	2,403	941,813
Changes of items during period						
Dividends of surplus						(13,438)
Profit attributable to owners of parent						113,095
Purchase of treasury shares						(20)
Disposal of treasury shares						175
Change of scope of consolidation						(81)
Net changes of items other than shareholders' equity	5,985	(17,876)	357	(11,533)	357	(11,175)
Total changes of items during period	5,985	(17,876)	357	(11,533)	357	88,555
Net assets at end of the period	8,864	14,459	(1,475)	21,848	2,761	1,030,369

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	129,343	145,671
Depreciation	14,863	14,246
Impairment loss	―	2,708
Increase (decrease) in allowance for doubtful accounts	526	(87)
Increase (decrease) in provision for directors' retirement benefits	14	59
Increase (decrease) in net defined benefit liability	(1,325)	(439)
Interest and dividend income	(5,953)	(6,513)
Interest expenses	274	153
Foreign exchange losses (gains)	9,309	(155)
Loss (gain) on sales of investment securities	(34)	115
Decrease (increase) in notes and accounts receivable-trade	(4,948)	(24,750)
Decrease (increase) in inventories	391	(206)
Increase (decrease) in notes and accounts payable-trade	10,514	6,483
Decrease (increase) in other current assets	(673)	(315)
Increase (decrease) in other current liabilities	12	3,782
Other, net	(2,653)	(920)
Subtotal	149,662	139,833
Interest and dividend income received	5,700	5,739
Interest expenses paid	(251)	(178)
Income taxes (paid) refund	(53,105)	(28,676)
Refund of income taxes for prior periods	―	4,232
Net cash provided by operating activities	**102,006**	**120,949**

(Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Cash flows from investing activities		
Payments into time deposits	(67,432)	(114,485)
Proceeds from withdrawal of time deposits	67,895	73,585
Purchase of securities	―	(22,740)
Proceeds from sales of securities	―	839
Purchase of property, plant and equipment	(23,997)	(19,273)
Purchase of intangible assets	(585)	(4,953)
Purchase of investment securities	(1,925)	(1,998)
Proceeds from sales of investment securities	1,276	1,818
Payments for investments in capital of subsidiaries and associates	(6,180)	―
Payments of loans receivable	(226)	(235)
Collection of loans receivable	192	233
Purchase of insurance funds	(7,224)	(7,533)
Proceeds from maturity of insurance funds	3,659	3,995
Other, net	266	380
Net cash used in investing activities	**(34,282)**	**(90,365)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(19,814)	(30,200)
Proceeds from long-term loans payable	2,000	3,668
Repayments of long-term loans payable	(3,197)	(5,638)
Purchase of treasury shares	(25)	(20)
Cash dividends paid	(13,435)	(13,438)
Other, net	173	122
Net cash used in financing activities	**(34,299)**	**(45,507)**
Effect of exchange rate change on cash and cash equivalents	**(19,870)**	**(4,837)**
Net increase (decrease) in cash and cash equivalents	**13,554**	**(19,760)**
Cash and cash equivalents at beginning of period	**281,716**	**295,270**
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	**―**	**1,939**
Cash and cash equivalents at the end of period	**295,270**	**277,449**

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

N/A

(Change in scope of consolidation)

Since the consolidated fiscal year under review, SMC Manufacturing (Vietnam) Co., Ltd. has become a consolidated subsidiary from a non-consolidated subsidiary due to the growing importance and SMC (Tianjin) Manufacturing Co., Ltd. has also become a consolidated subsidiary because it was newly established.

(Changes in accounting policies)

Application of "Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes"

SMC Corporation has applied "Practical Solution on Accounting for Changes in Depreciation Method related to the 2016 Tax Law Changes" (PITF No. 32, June 17, 2016) from the consolidated fiscal year under review, and has changed depreciation method related to buildings and accompanying facilities and structures acquired after April 1, 2016 from declining-balance method to straight-line method.

This adoption had a little impact on the consolidated financial statements for the consolidated fiscal year under review.

(Additional information)

Application of "Implementation Guidance on Recoverability of Deferred Tax Assets"

SMC Corporation has applied "Implementation Guidance on Recoverability of Deferred Tax Assets" (Guideline of ASBJ No. 26, March 28, 2016) from the consolidated fiscal year under review.

(Segment information, etc.)

[Segment information]

Reportable segment information on net sales, profit/loss and assets

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

(Millions of yen)

	Reportable segment	Others	Total	Adjustment amount	Amount included in consolidated financial statements
	Automatic control equipment business				
Net sales					
Sales to external customers	473,705	1,903	475,608	—	475,608
Inter-segment sales or transfers	—	138	138	(138)	—
Total	473,705	2,042	475,747	(138)	475,608
Segment profit	137,846	139	137,986	(3,752)	134,233

Consolidated fiscal year under review (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Reportable segment	Others	Total	Adjustment amount	Amount included in consolidated financial statements
	Automatic control equipment business				
Net sales					
Sales to external customers	485,723	1,902	487,625	–	487,625
Inter-segment sales or transfers	–	140	140	(140)	–
Total	485,723	2,043	487,766	(140)	487,625
Segment profit	145,633	158	145,792	(4,685)	141,107

[Related information]

(1) Geographical Net sales

(Millions of yen)

Fiscal Year ended March 31	Japan	United States	China	Asia (excl. China)	Europe	Other regions	Total
2016	147,262	61,857	83,745	75,943	81,970	24,830	475,608
2017	152,597	63,980	85,766	85,536	79,367	20,376	487,625

(2) Geographical Property, plant and equipment

(Millions of yen)

Fiscal Year ended March 31	Japan	China	Asia (excl. China)	Other regions	total
2016	57,879	33,364	17,649	39,415	148,309
2017	64,291	29,252	21,756	33,952	149,252

(Per share information)

	Consolidated FY under review (April 1, 2015 – March 31, 2016)	Consolidated FY under review (April 1, 2016 – March 31, 2017)
Net asset per share	13,981.17 yen	15,292.53 yen
Net income per share	1,371.34 yen	1,683.12 yen

(Significant subsequent events)

N/A

5. Additional Information

(1) Geographic segment information

(Millions of yen)

	Year ended March 31, 2017							
	Japan	North America	Europe	Asia	Other	Total	Intersegment Eliminations	Consolidated
Net sales								
(1) Sales to external customers	159,706	75,781	75,311	166,339	10,486	487,625	–	487,625
(2) Intersegment sales	176,194	3,603	1,440	43,895	14	225,148	(225,148)	–
Total	335,900	79,385	76,751	210,234	10,500	712,773	(225,148)	487,625
Operating income (loss)	88,603	12,912	6,711	31,296	238	139,763	1,343	141,107

(2) Consolidated capital expenditures, Depreciation and R&D expense

(Millions of yen)

	Year ended March 31, 2017 (Actual)		Year ending March 31, 2018 (Forecast)	
Capital expenditures	21,663	(14.5%)	35,500	63.9%
Depreciation	14,246	(4.2%)	15,300	7.4%
R&D expense	19,115	3.6%	20,000	4.6%

(3) Foreign currency exchange rates

	Year ended March 31, 2017 (Actual)		Year ending March 31, 2018 (Forecast)
	(average)	(at end)	(average)
U S $	¥ 108.38	¥ 112.20	¥ 105
E U R	¥ 118.79	¥ 119.78	¥ 115
C N Y	¥ 16.10	¥ 16.29	¥ 15.80

(4) Consolidated full-time employees and temporary employees

(Number of personnel)

	Year ended March 31, 2017	increase from last year end
Full-time employees (at end)	19,191	809
Temporary employees (average)	5,139	141