

Consolidated Financial Statements

for the year ended March 31, 2016

Sansei Technologies, Inc

Consolidated balance sheet

(Unit:1000Yen)

	2015/3/31	2016/3/31
Assets		
Current assets		
Cash and deposits	5,754,011	4,794,547
Notes and accounts receivable – trade	11,079,148	10,260,465
Electronically recorded monetary claims operating	–	10,148
Securities	405,210	556,491
Work in process	375,444	472,901
Raw materials and supplies	793,713	816,902
Deferred tax assets	421,316	346,872
Other	500,278	1,081,839
Total current assets	19,329,122	18,340,168
Non-current assets		
Property, plant and equipment		
Buildings and structures	6,511,227	5,466,989
Accumulated depreciation	-2,042,191	-1,326,530
Buildings and structures, net	4,469,036	4,140,458
Machinery, equipment and vehicles	2,740,700	2,903,487
Accumulated depreciation	-2,128,444	-2,202,555
Machinery, equipment and vehicles, net	612,255	700,932
Land	4,018,254	3,951,274
Construction in progress	2,400	2,958
Other	767,262	681,749
Accumulated depreciation	-576,249	-439,709
Other, net	191,012	242,039
Total property, plant and equipment	9,292,959	9,037,664
Intangible assets		
Goodwill	3,269,780	2,355,024
Other	1,381,040	1,173,791
Total intangible assets	4,650,821	3,528,815
Investments and other assets		
Investment securities	4,947,573	3,830,928
Long-term loans receivable	60,071	51,292
Deferred tax assets	232,429	237,491
Other	770,911	806,236
Allowance for doubtful accounts	-6,077	-2,828
Total investments and other assets	6,004,908	4,923,119
Total non-current assets	19,948,689	17,489,599
Total assets	39,277,812	35,829,767

Consolidated balance sheet

(Unit:1000Yen)

	2015/3/31	2016/3/31
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,391,873	1,862,005
Short-term loans payable	3,418,281	727,328
Current portion of long-term loans payable	442,648	376,000
Income taxes payable	744,526	415,791
Accrued consumption taxes	152,542	258,498
Advances received	1,051,985	1,574,329
Provision for bonuses	408,556	406,166
Provision for directors' bonuses	12,000	13,500
Provision for loss on construction contracts	409,836	202,090
Other	870,812	713,874
Total current liabilities	9,903,063	6,549,585
Non-current liabilities		
Long-term loans payable	1,934,148	1,548,875
Deferred tax liabilities	648,968	605,857
Net defined benefit liability	1,313,950	1,402,183
Other	32,990	23,235
Total non-current liabilities	3,930,056	3,580,152
Total liabilities	13,833,120	10,129,738
Net assets		
Shareholders' equity		
Capital stock	3,251,279	3,251,279
Capital surplus	2,989,057	2,423,069
Retained earnings	17,905,849	18,791,662
Treasury shares	-467,247	-467,333
Total shareholders' equity	23,678,939	23,998,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,096,196	1,061,203
DeferredGainsOrLossesOnHedges	-45,514	-29,971
Foreign currency translation adjustment	715,069	643,031
Total accumulated other comprehensive income	1,765,751	1,674,262
Subscription rights to shares	-	27,088
Total net assets	25,444,691	25,700,029
Total liabilities and net assets	39,277,812	35,829,767

Consolidated statement of income

(Unit:1000Yen)

	As of March 31 2015	As of March 31 2016
Net sales	24,479,330	23,990,309
Cost of sales	18,733,369	17,704,089
Gross profit	5,745,960	6,286,219
Selling, general and administrative expenses	4,092,042	4,203,718
Operating income	1,653,918	2,082,501
Non-operating income		
Interest income	36,321	27,850
Dividend income	72,710	76,078
ForeignExchangeGains	25,583	-
Dividend income of insurance	80,312	68,375
Other	52,255	49,424
Total non-operating income	267,183	221,730
Non-operating expenses		
Interest expenses	31,593	28,618
Commission fee	2,760	21,110
Foreign exchange Losses	-	27,757
Other	628	1,883
Total non-operating expenses	34,983	79,370
Ordinary income	1,886,118	2,224,861
Extraordinary income		
Gain on sales of noncurrent assets	150	299
Gain on sales of investment securities	171,818	195,743
Gain on Rede mption of InvestmentSecurities	15,884	20,881
Total extraordinary income	187,853	216,925
Extraordinary losses		
Loss on sales of noncurrent assets	20,655	48,452
Loss on abandonment of non-current assets	25,813	205,111
Loss on valuation of investment securities	-	2,833
Loss on redemption of investment securities	-	54
Head office transfer cost	75842	-
Total extraordinary losses	122,312	256,451
Income before income taxes and minority interests	1,951,659	2,185,334
Income taxes - current	996,459	835,004
Income taxes - deferred	-121,625	59,028
Total income taxes	874,833	894,032
Income before minority interests	1,076,826	1,291,302
Minority interests in loss	17,158	-
Net income	1,059,667	1,291,302

Consolidated statement of cash flows

(Unit:1000Yen)

	As of March 31 2015	As of March 31 2016
Cash flows from operating activities		
Income before income taxes and minority interests	1,951,659	2,185,334
Depreciation	672,390	711,978
Amortization of goodwill	268,118	184,380
Increase (decrease) in provision for bonuses	32,462	-2,390
Increase (decrease) in provision for loss on construction contracts	203,692	-207,741
Increase (decrease) in net defined benefit liability	96,208	88,233
Increase (decrease) in provision for directors' bonuses	-3,000	1,500
Increase (decrease) in allowance for doubtful accounts	-2,689	-3,248
Interest and dividend income	-109,032	-103,929
Interest expenses	31,593	28,618
Loss (gain) on sales of investment securities	-171,818	-195,743
Loss (gain) on valuation of investment securities	-	2,833
Loss (gain) on sales of noncurrent assets	20,505	48,152
Loss on abandonment of non-current assets	25,813	205,111
Decrease (increase) in notes and accounts receivable - trade	-3,141,535	808,231
Decrease (increase) in inventories	-79,074	-120,777
Increase (decrease) in notes and accounts payable - trade	355,991	-529,738
Increase (decrease) in advances received	166,276	498,829
Increase (decrease) in accrued consumption taxes	87,930	105,955
Decrease (increase) in consumption taxes refund receivable	36,467	-2
Decrease (increase) in other assets	-116,900	-465,176
Increase (decrease) in other liabilities	-95,655	-122,303
Other, net	-1,490	-31,990
Subtotal	227,912	3,086,116
Interest and dividend income received	109,879	106,102
Interest expenses paid	-33,131	-29,592
Income taxes paid	-169,874	-1,246,763
Net cash provided by (used in) operating activities	134,786	1,915,862

Consolidated statement of cash flows

(Unit:1000Yen)

	As of March 31 2015	As of March 31 2016
Cash flows from investing activities		
Payments into time deposits	-33,204	-133,205
Proceeds from withdrawal of time deposits	43,204	33,204
Proceeds from sales and redemption of investment securities	747,986	1,102,400
Purchase of shares of subsidiaries	-281,547	-
Purchase of property, plant and equipment	-2,510,405	-648,116
Proceeds from Sales of Property Plant and Equipment	995,440	144,113
Purchase of intangible assets	-76,289	-41,348
Payments of loans receivable	-18,150	-11,310
Collection of loans receivable	15,991	21,976
Other, net	64,616	25,356
Net cash provided by (used in) investing activities	-1,052,359	493,071
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,437,441	-2,691,621
Proceeds from Long Term Loans Payable	650,000	2,262
Repayments of long-term loans payable	-361,348	-453,410
Repayments of lease obligations	-13,017	-10,110
Purchase of treasury shares	-217	-85
Cash dividends paid	-257,295	-313,379
Net cash provided by (used in) financing activities	2,455,563	-3,466,345
Effect of exchange rate change on cash and cash equivalents	51,420	-2,052
Net increase (decrease) in cash and cash equivalents	1,589,411	-1,059,463
Cash and cash equivalents at beginning of period	4,134,229	5,723,641
Cash and cash equivalents at end of period	5,723,641	4,664,177