



Consolidated Financial Results for Fiscal Year 2016

(Fiscal Year 2016: Year ended March 31, 2016)

May 12, 2016

Company Name	Noritake Co., Limited
Stock Exchange Listings	Tokyo, Nagoya
Code Number	5331
Location of the Head Office	Nagoya, Japan
URL	http://www.noritake.co.jp/eng/
Representative	Tadashi Ogura, President
Contact Person	Yoshimasa Nakamura, General Manager of Finance and Accounting Dept. (Tel: +81-52-561-7116)
Date of Payment of Year-end Dividend	June 10, 2016

(Millions of Yen: Amounts less than 1 million yen have been omitted)

1. Consolidated Financial Results for Fiscal Year 2016 (April 1, 2015 through March 31, 2016)

(1) Operating Results

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
FY 2016	109,631	10.7%	3,448	57.4%	4,780	41.0%
FY 2015	99,038	11.7%	2,191	179.3%	3,389	75.6%

	Profit Attributable to Owners of Parent		Net Income per Share	Diluted Net Income per Share	Return on Average Shareholders' Equity	Ratio of Ordinary Income to Average Assets	Ratio of Operating Income to Net Sales
	Millions of Yen	Change	Yen	Yen	%	%	%
FY 2016	4,412	114.3%	30.73	—	5.7	3.4	3.1
FY 2015	2,059	56.8%	14.34	—	2.8	2.6	2.2

(Reference) Share of profit of entities accounted for using equity method: FY2016 491 million yen
FY2015 298 million yen

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Shareholders' Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
FY 2016	135,931	79,765	56.5	534.53
FY 2015	145,836	82,817	54.1	549.59

(Reference) Shareholders' Equity: FY2016 76,749 million yen, FY2015 78,924 million yen

(3) Cash Flows

	Net Cash provided by (used in) Operating Activities	Net Cash provided by (used in) Investing Activities	Net Cash provided by (used in) Financing Activities	Cash and Cash Equivalents at end of period
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
FY 2016	6,114	(4,028)	(3,907)	8,583
FY 2015	5,066	(6,281)	2,719	10,586

2. Dividends *

	Dividends per Share			Total Dividends Millions of Yen	Dividend Payout Ratio %	Dividend on Equity Ratio %
	Interim	Year-end	Total			
	Yen	Yen	Yen			
FY 2015	3.00	3.00	6.00	861	41.8	1.2
FY 2016	3.00	3.00	6.00	861	19.5	1.1
(Forecast) FY 2017	3.00	30.00	—	—	35.9	—

* As the Company is scheduled to conduct a reverse stock split at a ratio of one share for every ten shares effective October 1, 2016, figures for the dividends per share for FY 2017 (forecast) are amounts that take into account the reverse stock split, and total annual dividends are shown as “—.” Year-end dividends per share for FY 2017 (forecast) without taking into account the reverse stock split are 3 yen, and annual dividends per share are 6 yen. For details, please see “Cautionary Statement.”

3. Forecast for Fiscal Year 2017 *

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
FY 2017 Semi-annual	53,000	(1.9%)	800	(41.5%)	1,500	(24.2%)
FY 2017	109,000	(0.6%)	2,400	(30.4%)	3,800	(20.5%)

	Profit Attributable to Owners of Parent		Net Income per Share
	Millions of Yen	Change	Yen
FY 2017 Semi-annual	900	(62.4%)	6.27
FY 2017	2,400	(45.6%)	167.15

* Concerning net income per share of the Consolidated Financial Forecasts (Full year) for FY 2017, the effects of the reverse stock split are taken into account. Net income per share of the Consolidated Financial Forecasts (Full year) for FY 2017 without taking into account the reverse stock split is 16.71 yen. For details, please see “Cautionary Statement.”

4. Other Information

- (1) Status changes of specified subsidiaries involving changes in the scope of consolidation : None
- (2) Change in accounting policies, accounting estimates or restatement
- ① Changes in accordance with revision of accounting standards : Yes
 - ② Other changes in accounting policies : None
 - ③ Changes in accounting estimates : None
 - ④ Restatement : None

(3) Number of shares outstanding (Common Shares)

	Outstanding shares at end of period (including treasury shares)	Treasury shares at end of period	Average number of shares outstanding over period	
FY 2016	158,428,497	14,843,978	FY 2016	143,595,184
FY 2015	158,428,497	14,821,960	FY 2015	143,620,385

【For reference】**1. Non-consolidated Financial Results for Fiscal Year 2016
(April 1, 2015 through March 31, 2016)****(1) Operating Results**

	Net Sales		Operating Income		Ordinary Income	
	Millions of Yen	Change	Millions of Yen	Change	Millions of Yen	Change
FY 2016	60,102	(2.8%)	(915)	—	1,022	(16.3%)
FY 2015	61,854	(1.1%)	(932)	—	1,221	369.1%

	Net Income		Net Income per Share	Diluted Net Income per Share
	Millions of Yen	Change	Yen	Yen
FY 2016	1,923	109.2%	13.40	—
FY 2015	919	63.5%	6.40	—

(2) Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Shareholders' Equity per Share
	Millions of Yen	Millions of Yen	%	Yen
FY 2016	111,178	58,348	52.5	406.37
FY 2015	118,527	60,390	51.0	420.52

(Reference) Shareholders' Equity: FY2016 58,348 million yen, FY2015 60,390 million yen

***Cautionary Statement**

1.The consolidated financial statements are under procedures of financial review, at the time of disclosure of this report.

2.Forecast for FY 2017 is based on management's assumptions and beliefs in the light of information currently available. A number of important risks and uncertainties could cause actual results to differ materially from it, therefore Noritake suggests that you should not place undue reliance on it for investment purpose and so forth.

3.At the meeting of the Board held on May 12, 2016, it was resolved to present a proposal concerning a reverse stock split at the 135rd Ordinary General Meeting of Shareholders to be held on June 29, 2016, and with approval at the General Meeting of Shareholders as a condition, a reverse stock split at a ratio of one share for every ten shares will be implemented with October 1, 2016 as the effective date. A change of the number of shares constituting a unit (revision from 1,000 shares to 100 shares) is also scheduled to be implemented on the same day. Additionally, dividend forecasts and Consolidated Financial Forecasts for FY 2017 without taking into account the reverse stock split are as follows.

(1) Dividend Forecasts for FY 2017

Dividends per share

Interim 3 yen

Year-end 3 yen

(2) Consolidated Financial Forecasts for FY 2017

Net income per share

Semi-annual 6.27 yen

Full year 16.71 yen

CONSOLIDATED BALANCE SHEETS

	FY 2015	FY 2016
	As of March 31, 2015	As of March 31, 2016
	Millions of Yen	Millions of Yen
Assets		
Current assets		
Cash and deposits	12,530	10,720
Notes and accounts receivable - trade	27,938	28,556
Electronically recorded monetary claims - operating	1,352	2,262
Merchandise and finished goods	8,644	8,427
Work in process	3,829	3,778
Raw materials and supplies	4,582	4,387
Deferred tax assets	484	607
Other	2,014	1,690
Allowance for doubtful accounts	(21)	(30)
Total current assets	61,354	60,402
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,252	17,656
Machinery, equipment and vehicles, net	9,867	9,051
Land	13,646	13,507
Construction in progress	291	717
Other, net	3,452	3,013
Total property, plant and equipment	45,511	43,946
Intangible assets	1,281	1,200
Investments and other assets		
Investment securities	34,227	29,184
Net defined benefit asset	2,481	122
Deferred tax assets	121	331
Other	981	876
Allowance for doubtful accounts	(121)	(132)
Total investments and other assets	37,690	30,382
Total non-current assets	84,482	75,529
Total assets	145,836	135,931

	FY 2015	FY 2016
	As of March 31, 2015	As of March 31, 2016
	Millions of Yen	Millions of Yen
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,108	9,307
Electronically recorded obligations - operating	387	4,239
Short-term loans payable	3,400	12,730
Current portion of bonds	10,000	—
Current portion of long-term loans payable	1,660	2,011
Accrued expenses	2,558	1,841
Income taxes payable	695	700
Provision for bonuses	1,422	1,463
Notes payable - facilities	826	236
Electronically recorded obligations - non-operating	—	229
Other	2,927	1,893
Total current liabilities	36,985	34,655
Non-current liabilities		
Long-term loans payable	15,277	13,474
Deferred tax liabilities	7,488	4,889
Provision for directors' retirement benefits	832	276
Net defined benefit liability	2,083	2,064
Other	353	806
Total non-current liabilities	26,034	21,511
Total liabilities	63,019	56,166
Net assets		
Shareholders' equity		
Capital stock	15,632	15,632
Capital surplus	18,832	18,783
Retained earnings	35,735	39,286
Treasury shares	(3,985)	(3,991)
Total shareholders' equity	66,215	69,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,516	10,106
Foreign currency translation adjustment	(759)	(1,660)
Remeasurements of defined benefit plans	(47)	(1,407)
Total accumulated other comprehensive income	12,709	7,038
Non-controlling interests	3,892	3,015
Total net assets	82,817	79,765
Total liabilities and net assets	145,836	135,931

CONSOLIDATED STATEMENTS OF INCOME

	FY 2015 (April 1, 2014 through March 31, 2015) Millions of Yen	FY 2016 (April 1, 2015 through March 31, 2016) Millions of Yen
Net sales	99,038	109,631
Cost of sales	72,857	80,385
Gross profit	26,180	29,245
Selling, general and administrative expenses		
Selling expenses	16,785	17,664
General and administrative expenses	7,203	8,133
Total selling, general and administrative expenses	23,989	25,797
Operating income	2,191	3,448
Non-operating income		
Interest income	50	67
Dividend income	490	573
Rent income	379	342
Foreign exchange gains	175	39
Share of profit of entities accounted for using equity method	298	491
Other	185	185
Total non-operating income	1,579	1,699
Non-operating expenses		
Interest expenses	160	145
Rent expenses on non-current assets	127	151
Commission fee	53	—
Other	39	71
Total non-operating expenses	381	368
Ordinary income	3,389	4,780
Extraordinary income		
Gain on sales of non-current assets	4	1,470
Gain on sales of investment securities	—	22
Gain on step acquisitions	76	—
Gain on bargain purchase	38	—
Total extraordinary income	119	1,493
Extraordinary losses		
Loss on disposal of non-current assets	337	233
Impairment loss	71	356
Loss on valuation of investment securities	0	0
Total extraordinary losses	408	589
Income before income taxes and non-controlling interests	3,100	5,684
Income taxes - current	1,094	1,393
Income taxes - deferred	(100)	(403)
Total income taxes	994	989
Profit	2,106	4,694
Profit attributable to non-controlling interests	46	281
Profit attributable to owners of parent	2,059	4,412

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	FY 2015 (April 1, 2014 through March 31, 2015) Millions of Yen	FY 2016 (April 1, 2015 through March 31, 2016) Millions of Yen
Profit	2,106	4,694
Other comprehensive income		
Valuation difference on available-for-sale securities	4,782	(3,421)
Foreign currency translation adjustment	2,770	(1,033)
Remeasurements of defined benefit plans, net of tax	1,895	(1,382)
Share of other comprehensive income of entities accounted for using equity method	(11)	(25)
Total other comprehensive income	9,437	(5,863)
Comprehensive income	11,544	(1,169)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,961	(1,257)
Comprehensive income attributable to non-controlling interests	582	88

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FY 2015 (April 1, 2014 through March 31, 2015)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,632	18,832	34,309	(3,979)	64,795
Cumulative effects of changes in accounting policies			445		445
Restated balance	15,632	18,832	34,755	(3,979)	65,240
Changes of items during period					
Dividends of surplus			(861)		(861)
Profit attributable to owners of parent			2,059		2,059
Change of scope of consolidation			(217)		(217)
Purchase of treasury shares				(5)	(5)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	980	(5)	974
Balance at end of current period	15,632	18,832	35,735	(3,985)	66,215

	Accumulated other 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		
Balance at beginning of current period	8,758	(2,979)	(1,972)	3,807	613	69,216
Cumulative effects of changes in accounting policies						445
Restated balance	8,758	(2,979)	(1,972)	3,807	613	69,661
Changes of items during period						
Dividends of surplus						(861)
Profit attributable to owners of parent						2,059
Change of scope of consolidation						(217)
Purchase of treasury shares						(5)
Net changes of items other than shareholders' equity	4,757	2,219	1,924	8,901	3,278	12,180
Total changes of items during period	4,757	2,219	1,924	8,901	3,278	13,155
Balance at end of current period	13,516	(759)	(47)	12,709	3,892	82,817

FY 2016 (April 1, 2015 through March 31, 2016)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	15,632	18,832	35,735	(3,985)	66,215
Changes of items during period					
Dividends of surplus			(861)		(861)
Profit attributable to owners of parent			4,412		4,412
Purchase of treasury shares				(6)	(6)
Purchase of shares of consolidated subsidiaries		(30)			(30)
Sales of shares of consolidated subsidiaries		(18)			(18)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(49)	3,551	(6)	3,495
Balance at end of current period	15,632	18,783	39,286	(3,991)	69,711

	Accumulated other 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		
Balance at beginning of current period	13,516	(759)	(47)	12,709	3,892	82,817
Changes of items during period						
Dividends of surplus						(861)
Profit attributable to owners of parent						4,412
Purchase of treasury shares						(6)
Purchase of shares of consolidated subsidiaries						(30)
Sales of shares of consolidated subsidiaries						(18)
Net changes of items other than shareholders' equity	(3,410)	(900)	(1,359)	(5,670)	(876)	(6,547)
Total changes of items during period	(3,410)	(900)	(1,359)	(5,670)	(876)	(3,051)
Balance at end of current period	10,106	(1,660)	(1,407)	7,038	3,015	79,765

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FY 2015 (April 1, 2014 through March 31, 2015) Millions of Yen	FY 2016 (April 1, 2015 through March 31, 2016) Millions of Yen
Cash flows from operating activities		
Income before income taxes and non-controlling interests	3,100	5,684
Depreciation	3,673	4,147
Impairment loss	71	356
Loss (gain) on step acquisitions	(76)	—
Gain on bargain purchase	(38)	—
Increase (decrease) in allowance for doubtful accounts	(28)	20
Increase (decrease) in net defined benefit liability and asset	568	396
Increase (decrease) in provision for directors' retirement benefits	(76)	(556)
Interest and dividend income	(541)	(640)
Interest expenses	160	145
Share of (profit) loss of entities accounted for using equity method	(298)	(491)
Loss (gain) on sales of short-term and long-term investment securities	—	(22)
Loss (gain) on valuation of short-term and long-term investment securities	0	0
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	333	(1,237)
Decrease (increase) in notes and accounts receivable - trade	48	(1,720)
Decrease (increase) in inventories	(1,484)	209
Increase (decrease) in notes and accounts payable - trade	(80)	153
Other, net	335	214
Subtotal	<u>5,664</u>	<u>6,660</u>
Interest and dividend income received	766	813
Interest expenses paid	(159)	(169)
Income taxes paid	(1,205)	(1,190)
Net cash provided by (used in) operating activities	<u>5,066</u>	<u>6,114</u>
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,742)	(4,714)
Proceeds from sales of property, plant and equipment and intangible assets	98	1,547
Purchase of investment securities	(16)	(28)
Proceeds from sales of investment securities	—	27
Payments of loans receivable	(250)	(23)
Collection of loans receivable	83	86
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,683)	—
Collection of investments in capital	491	—
Payments into time deposits	(1,619)	(2,148)
Proceeds from withdrawal of time deposits	1,536	1,930
Other, net	(179)	(706)
Net cash provided by (used in) investing activities	<u>(6,281)</u>	<u>(4,028)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,569)	9,382
Proceeds from long-term loans payable	11,700	250
Repayments of long-term loans payable	(4,486)	(1,662)
Redemption of bonds	—	(10,000)
Purchase of treasury shares	(5)	(6)
Cash dividends paid	(861)	(861)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(1,344)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	334
Other, net	(56)	—
Net cash provided by (used in) financing activities	<u>2,719</u>	<u>(3,907)</u>
Effect of exchange rate change on cash and cash equivalents	304	(179)
Net increase (decrease) in cash and cash equivalents	<u>1,809</u>	<u>(2,002)</u>
Cash and cash equivalents at beginning of period	8,671	10,586
Increase in cash and cash equivalents from newly consolidated subsidiary	105	—
Cash and cash equivalents at end of period	<u>10,586</u>	<u>8,583</u>

SEGMENT INFORMATION

FY 2015 (April 1, 2014 through March 31, 2015) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
Net sales:							
External customers	47,204	30,422	11,847	9,564	99,038	—	99,038
Segment income (loss)	900	1,544	275	(529)	2,191	—	2,191
Segment assets	52,202	31,025	6,710	8,919	98,858	46,978	145,836
Other items:							
Intersegment sales and transfers	25	204	143	232	606	(606)	—
Depreciation	2,226	892	196	357	3,673	—	3,673
Investments in equity-method associates	307	2,432	—	98	2,838	—	2,838
Increases in tangible and intangible fixed assets	1,124	930	154	367	2,577	1,914	4,491

FY 2016 (April 1, 2015 through March 31, 2016) (Millions of Yen)

	Industrial Products	Ceramics & Materials	Engineering	Tabletop	Total	Adjustments	Consolidated
Net sales:							
External customers	57,193	28,846	13,490	10,100	109,631	—	109,631
Segment income (loss)	1,717	1,606	473	(348)	3,448	—	3,448
Segment assets	50,425	29,916	8,566	8,588	97,496	38,435	135,931
Other items:							
Intersegment sales and transfers	17	65	146	242	472	(472)	—
Depreciation	2,572	962	236	375	4,147	—	4,147
Investments in equity-method associates	298	2,713	—	120	3,131	—	3,131
Increases in tangible and intangible fixed assets	1,458	781	87	366	2,693	1,031	3,724

Notes: (1) Adjustments column in "Segment assets" denotes unallocated general corporate items which were not assigned to specific segments such as cash, short-term and long-term investments in securities and general managed property.

(2) Adjustments column in "Other items: Intersegment sales and transfers" denotes eliminations of intersegment transactions.

(3) Adjustments column in "Other items: Increases in tangible and intangible fixed assets" denotes capital expenditures of administrative department which were not assigned to specific segments.