

## Summary of Consolidated Financial Statements for the Second Quarter of the Term Ending March 2016 (Japan GAAP)

November 5, 2015

Name of Listed Company: **TSUMURA & CO.**

Exchange: Tokyo Stock Exchange

Code: 4540

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

Representative: Position: President & Representative Director Name: Terukazu Kato  
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Scheduled date of submission: November 6, 2015

Scheduled date of dividend payment commencement: December 4, 2015

Preparation of supplementary materials for the quarterly financial statements: Yes

Holding of the quarterly results briefing: Yes, for institutional investors, securities analysts, and press.

(Figures are rounded down to the nearest one million yen.)

### 1. Consolidated business results for the second quarter of the term ending March 2016

(from April 1, 2015 to September 30, 2015)

#### (1) Financial results (year to date)

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six month period ended September 30, 2015	54,560	3.5	9,855	14.8	10,072	9.6	6,538	6.7
Six month period ended September 30, 2014	52,710	-1.3	8,585	-17.2	9,191	-16.2	6,128	-13.3

(Note) Comprehensive income

Six month period ended September 30, 2015: 7,047 million yen (26.6%)

Six month period ended September 30, 2014: 5,568 million yen (-35.2%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six month period ended September 30, 2015	92.72	—
Six month period ended September 30, 2014	86.89	—

#### (2) Consolidated financial conditions

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of September 30, 2015	219,149	155,737	69.7
As of March 31, 2015	215,654	150,947	68.8

(Reference) Shareholders' equity:

As of September 30, 2015: 152,851 million yen

As of March 31, 2015: 148,316 million yen

### 2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
F Y 3/2015	—	32.00	—	32.00	64.00
F Y 3/2016	—	32.00	—	—	—
FY 3/2016 (Projection)	—	—	—	32.00	64.00

(Note) Revisions to dividends projection published most recently: No

### 3. Projections of consolidated business results for the term ending March 2016 (From April 1, 2015 to March 31, 2016)

(Figures in percentage show the rate of increase or decrease from the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	113,000	2.3	18,000	-7.7	18,300	-15.2	12,200	-13.3	172.99

(Note) Revisions to business results projection published most recently: No

Notes

- (1) Important changes of subsidiaries during the term  
(change of specified subsidiaries that lead to a change in the scope of consolidation) : No
- (2) Application of special accounting practices in consolidated quarterly financial statements preparation: Yes
- (3) Changes in accounting principles and procedures and the method for indication, etc.
- 1) Changes associated with the revision of accounting principles, etc.: Yes
  - 2) Change other than 1): No
  - 3) Accounting estimate change: No
  - 4) Retrospective restatement: No

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock) (shares)	FY 3/2016 2Q	70,771,662	FY 3/2015	70,771,662
2) Number of treasury stock at the end of the term (shares)	FY 3/2016 2Q	247,274	FY 3/2015	246,883
3) Average number of shares during the term (shares)	FY 3/2016 2Q	70,524,494	FY 3/2015 2Q	70,525,130

\* Indication concerning the condition of carrying-out of the quarterly audit procedure

This Summary of Consolidated Quarterly Financial Statements does not require the quarterly audit procedure based on the Financial Instruments and Exchange Act. As of the time of disclosure of this Summary of Consolidated Quarterly Financial Statements, the procedure to quarterly audit financial statements based on the Financial Instruments and Exchange Act was not yet completed.

\* Explanation about the proper use of financial projections and other important notes

Forward-looking statements such as financial projections, which are stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. There is a possibility that actual results, etc. will differ materially from forecasts due to various factors.

4. Consolidated Quarterly Financial Statements  
(i) Consolidated Quarterly Balance Sheets

(Unit: million yen)

	As of March 31, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	19,379	23,024
Notes and accounts receivable-trade	42,142	40,176
Merchandise and finished goods	8,887	8,846
Work in process	13,276	13,506
Raw materials and stores	28,552	27,956
Others	16,250	17,237
Allowance for doubtful accounts	(4)	(4)
Total current assets	<u>128,484</u>	<u>130,744</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,353	56,971
Others	68,291	69,510
Accumulated depreciation	(65,020)	(65,913)
Total property, plant and equipment	<u>60,624</u>	<u>60,568</u>
Intangible assets	209	217
Investment and other assets		
Investment securities	18,167	19,760
Net defined benefit asset	1,123	1,432
Others	7,047	6,428
Allowance for doubtful accounts	(2)	(2)
Total investment and other assets	<u>26,336</u>	<u>27,619</u>
Total non-current assets	<u>87,169</u>	<u>88,404</u>
Total assets	<u>215,654</u>	<u>219,149</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,828	3,066
Short-term loans payable	21,957	21,957
Income taxes payable	635	2,592
Provision for sales returns	8	11
Others	15,936	12,091
Total current liabilities	<u>41,366</u>	<u>39,718</u>
Non-current liabilities		
Long-term loans payable	15,000	15,000
Net defined benefit liability	64	64
Others	8,275	8,628
Total non-current liabilities	<u>23,339</u>	<u>23,692</u>
Total liabilities	<u>64,706</u>	<u>63,411</u>

(Unit: million yen)

	As of March 31, 2015	As of September 30, 2015
Net Assets		
Shareholders' equity		
Capital stock	19,487	19,487
Capital surplus	1,940	1,940
Retained earnings	114,313	118,595
Treasury shares	(389)	(390)
Total shareholders' equity	<u>135,351</u>	<u>139,632</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,432	3,511
Deferred gains or losses on hedges	3,559	2,295
Revaluation reserve for land	2,130	2,130
Foreign currency translation adjustment	4,207	4,648
Remeasurements of defined benefit plans	633	632
Total accumulated other comprehensive income	<u>12,964</u>	<u>13,218</u>
Non-controlling interests	<u>2,631</u>	<u>2,886</u>
Total net assets	<u>150,947</u>	<u>155,737</u>
Total liabilities and net assets	<u>215,654</u>	<u>219,149</u>

(ii) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated Quarterly Statements of Income / For the Second Quarter Consolidated Accumulative Term

(Unit: million yen)

	Six month period ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six month period ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Net sales	52,710	54,560
Cost of sales	20,049	21,024
Gross profit	32,661	33,536
Selling, general and administrative expenses	24,075	23,680
Operating income	8,585	9,855
Non-operating income		
Interest income	33	49
Dividend income	167	173
Share of profit of entities accounted for using equity method	21	—
Foreign exchange gains	389	0
Others	136	124
Total non-operating income	747	348
Non-operating expenses		
Interest expenses	90	93
Share of loss of entities accounted for using equity method	—	27
Others	50	11
Total non-operating expenses	140	132
Ordinary income	9,191	10,072
Extraordinary income		
Gain on sales of non-current assets	3	0
Gain on sales of investment securities	—	0
Gain on sales of subsidiaries and associates	61	—
Total extraordinary income	65	0
Extraordinary losses		
Loss on sales of non-current assets	1	0
Loss on retirement of non-current assets	122	18
Total extraordinary losses	124	18
Income before income taxes and minority interests	9,132	10,053
Income taxes	2,945	3,322
Net income	6,186	6,730
Net income attributable to non-controlling interests	58	192
Net income attributable to owners of parent	6,128	6,538

Consolidated Quarterly Statements of Comprehensive Income / For the Second Quarter Consolidated Accumulative Term

(Unit: million yen)

	Six month period ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six month period ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Net income	6,186	6,730
Other comprehensive income		
Valuation difference on available-for-sale securities	(634)	1,078
Deferred gains or losses on hedges	1,340	(1,264)
Foreign currency translation adjustment	(1,320)	493
Remeasurements of defined benefit plans	18	(1)
Share of other comprehensive income of entities accounted for using equity method	(22)	9
Total other comprehensive income	<u>(618)</u>	<u>316</u>
Comprehensive income	<u>5,568</u>	<u>7,047</u>
Comprehensive income attributable to		
Owners of parent	5,664	6,793
Non-controlling interests	(95)	254

## (iii) Consolidated Quarterly Statements of Cash Flows

	(Unit: million yen)	
	Six month period ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	Six month period ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	9,132	10,053
Depreciation	2,611	2,536
Increase (decrease) in allowance for doubtful accounts	(1)	0
Interest and dividend income	(200)	(222)
Interest expenses	90	93
Share of (profit) loss of entities accounted for using equity method	(21)	27
Loss (gain) on sales and retirement of property, plant and equipment	116	11
Decrease (increase) in notes and accounts receivable	1,468	1,982
Decrease (increase) in inventories	(6,546)	655
Increase (decrease) in notes and accounts payable - trade	160	432
Loss (gain) on sales of short-term and long-term investment securities	—	(0)
Decrease (increase) in net defined benefit assets	(215)	(308)
Increase (decrease) in net defined benefit liability	(40)	(1)
Gain on sales of subsidiaries and associates	(61)	—
Others	1,101	(3,699)
Subtotal	<u>7,595</u>	<u>11,561</u>
Interest and dividend income received	220	243
Interest expenses paid	(84)	(93)
Income taxes paid	(5,839)	(1,150)
Net cash provided by (used in) operating activities	<u>1,891</u>	<u>10,561</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,368)	(4,988)
Proceeds from sales of property, plant and equipment	5	1,200
Purchase of intangible assets	(26)	(29)
Purchase of short-term and long-term investment securities	(5)	(5)
Proceeds from sales and redemption of short-term and long-term investment securities	—	0
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	91	—
Payments of loans receivable	(1,102)	(932)
Collection of loans receivable	2	2
Payments into time deposits	(12)	(17)
Proceeds from withdrawal of time deposits	12	36
Others	12	(5)
Net cash provided by (used in) investing activities	<u>(5,391)</u>	<u>(4,738)</u>
Cash flows from financing activities		
Proceeds from long-term loans payable	15,000	—
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(2,258)	(2,258)
Dividends paid to non-controlling interests	(39)	(54)
Others	(17)	(18)
Net cash provided by (used in) financing activities	<u>12,683</u>	<u>(2,332)</u>
Effect of exchange rate change on cash and cash equivalents	(664)	173
Net increase (decrease) in cash and cash equivalents	<u>8,519</u>	<u>3,663</u>
Cash and cash equivalents at beginning of period	<u>14,418</u>	<u>19,343</u>
Cash and cash equivalents at end of period	<u>22,937</u>	<u>23,007</u>

(iv)Notes to the Consolidated Quarterly Financial Statements

Notes on premise of a going concern

No relevant items.

Notes on case of extreme change in shareholder's equity amount

No relevant items.