



Financial Announcement for Year Ended March 31, 2016 [Japan standard] (Consolidated)

May 10, 2016

Company name TOLI Corporation Stock Exchanges: Tokyo Stock Exchange
 Code number 7971 URL <http://www.toli.co.jp>
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 Official responsible (Position) Executive Officer (Name) Yoza Araki TEL 06-6494-6691
 for inquiries General Manager, Accounting and Finance Department

Scheduled date for ordinary general meeting of shareholders June 23, 2016 Scheduled date for start of dividend payments June 24, 2016
 Scheduled date for submission of financial statements June 23, 2016
 Preparation of supplementary explanatory materials for the financial announcement: Yes
 Holding of a briefing on the financial announcement: Yes (for securities analysts)

(Amounts of less than 1 million yen are rounded off)

1. Consolidated results for year ended March 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated results (% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2016	91,840	1.1	3,825	21.3	3,907	19.1	2,420	22.3
Year ended March 2015	90,806	1.2	3,152	23.5	3,281	24.6	1,978	47.7

(Note) Comprehensive income Year ended March 2016 2,078 million yen (-31.9%) Year ended March 2015 3,050 million yen (118.7%)

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2016	39.23	-	8.2	5.4	4.2
Year ended March 2015	32.07	-	7.3	4.7	3.5

(Reference) Investment gain or loss under equity method Year ended March 2016 20 million yen Year ended March 2015 5 million yen

(2) Consolidated assets

	Total assets	Net assets	Capital-to-asset ratio	Net asset per share
	Million yen	Million yen	%	Yen
Year ended March 2016	72,923	30,323	41.4	488.92
Year ended March 2015	72,049	28,681	39.6	462.90

(Reference) Equity capital Year ended March 2016 30,162 million yen Year ended March 2015 28,561 million yen

(3) State of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Term-end balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended March 2016	4,426	(2,571)	(1,145)	8,955
Year ended March 2015	3,324	(1,671)	(1,207)	8,276

2. Dividend payments

	Annual dividend					Dividend payments (total)	Dividend payout ratio (consolidated)	Dividend ratio to net assets (consolidated)
	End 1st quarter	End 2nd quarter	End 3rd quarter	End of year	Total			
Year ended March 2015	Yen -	Yen 0.00	Yen -	Yen 7.00	Yen 7.00	Million yen 431	% 21.8	% 1.6
Year ended March 2016	-	0.00	-	9.00	9.00	555	22.9	1.9
Year ending March 2017 (forecast)	-	2.00	-	7.00	9.00		20.6	

3. Consolidated forecasts for year ending March 2017 (April 1, 2016 to March 31, 2017)

(% shows the change for the full term against the previous full term and change for the quarter against the same quarter of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	42,500	0.1	700	(28.8)	750	(31.1)	400	(35.6)	6.48
Full term	92,800	1.0	4,050	5.9	4,100	4.9	2,700	11.5	43.77

* Notes

- (1) Significant changes to subsidiaries during the current term (changes for a specified subsidiary entailing a change in the scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, representation of amendments
- [1] Changes in accounting policies accompanying revisions to accounting standards: Yes
- [2] Changes to accounting policies other than [1]: None
- [3] Changes in accounting estimates: None
- [4] Representation of amendments: None

(Note) For details, please see "5. Consolidated financial statements (5) Notes on consolidated financial statements" on page 15 of the supplementary material.

(3) Number of outstanding shares (ordinary shares)

[1] Number of outstanding shares at end of year (including treasury shares)	Year ended March 2016	66,829,249 shares	Year ended March 2015	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2016	5,136,563 shares	Year ended March 2015	5,127,520 shares
[3] Average number of shares during the term	Year ended March 2016	61,696,975 shares	Year ended March 2015	61,706,625 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2016 (April 1, 2015 to March 31, 2016)

(1) Non-consolidated management performance

(% shows change from previous term)

	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 2016	56,535	0.9	2,550	32.8	2,744	26.3	1,746	25.5
Year ended March 2015	56,034	2.8	1,921	55.6	2,173	58.7	1,391	91.3

	Profit per share		Profit per share - diluted	
	Yen	Yen	Yen	Yen
Year ended March 2016	28.31	-	-	-
Year ended March 2015	22.56	-	-	-

(2) Non-consolidated financial state

	Total assets		Net assets		Capital-to-asset ratio		Net asset per share	
	Million yen	Million yen	Million yen	Million yen	%	Yen	Yen	
Year ended March 2016	62,022	23,394	23,394	22,342	37.7	379.21	362.10	
Year ended March 2015	60,858	22,342	22,342	22,342	36.7	362.10	362.10	

(Reference) Equity capital Year ended March 2016 23,394 million yen Year ended March 2015 22,342 million yen

* Statement concerning the implementation of audit procedures

This financial announcement is not subject to the audit procedures based on the Financial Instruments and Exchange Act and the audit procedures for financial statements based on the Financial Instruments and Exchange Act were not completed at the time of presentation of this financial announcement.

* Explanation of the appropriate use of performance projections and other special instructions

These performance projections were prepared based on the information available as of the time of presentation, and actual business performance figures may differ from the projections due to various factors.

For matters pertaining to these business performance projections, please refer to "1. Discussion and analysis of the management performance/the financial situation (1) Discussion and analysis of the management performance" on page 2 of the supplementary materials.

○ Contents of the supplementary materials

1. Discussion and analysis of the management performance/financial situation	2
(1) Discussion and analysis of the management performance	2
(2) Discussion and analysis of the financial situation.....	3
(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term.....	3
2. The TOLI Group	4
3. Management policy	5
(1) Basic management policy	5
(2) Target management indicators	5
(3) The Company's medium-term business management strategy and issues to be tackled	5
4. Basic thinking concerning selection of accounting standards	6
5. Consolidated financial statements.....	7
(1) Consolidated balance sheets	7
(2) Consolidated statement of income and consolidated statement of comprehensive income · Consolidated statement of income	9
Consolidated statement of comprehensive income	10
(3) Consolidated statement of changes in equity	11
(4) Consolidated statements of cash flows	13
(5) Notes on consolidated financial statements	15
(Notes on the assumption of the company as a going concern)	15
(Changes in accounting policies).....	15
(Segment information, etc.)	15
(Per-share data)	17
(Important post-balance sheet events)	17
6. Non-consolidated financial statements	18
(1) Balance sheets.....	18
(2) Statements of income	20
(3) Statement of changes in equity	21
7. Others	23
(1) Change of Directors	23

1. Discussion and analysis of the management performance/financial situation

(1) Discussion and analysis of the management performance

Whereas the employment situation has improved throughout the domestic economy against the backdrop of steady corporate performance, a bearish tone was seen due to factors including a slowdown in emerging economies during the current consolidated fiscal year. In the interior industry, we saw firm demand with respect to new construction and renewals of offices and stores; however, the demand for medical and welfare facilities had been below the level of the previous period, influenced by a decrease in new construction starts.

Within this environment, the TOLI Group focused on the creation of new demand through the development of original products and proposal-based sales, thereby realizing net sales of 91,840 million yen for the current consolidated fiscal year (an increase of 1.1% against the previous period). With regard to profits, as a result of a decrease in raw material cost and the TOLI Group's efforts to expand the sales of high value-added products and improve productivity, the Group realized an operating income of 3,825 million yen (an increase of 21.3% against the previous period), ordinary income of 3,907 million yen (an increase of 19.1% against the previous period), and profit attributable to owners of parent of 2,420 million yen (an increase of 22.3% against the previous term).

Business performance by segment for each business area was as follows. This information includes business between segments.

<Product business>

For vinyl flooring, sales of "ROYAL WOOD" and "ROYAL STONE" vinyl tiles, which express wood and stone patterns realistically, were steady. In addition, the multi-use high design vinyl sheet "MATURE" was newly added to the product portfolio as the "NW Series", which does not require waxing maintenance over a long period of time and has been highly evaluated. For carpets, there was strength in the sales of medium-to-high grade carpet tiles "GX Series" and "Fabric Floor" for housing. In terms of wallpaper materials, while the sales of "VS", a general use grade vinyl wallpaper series, increased and "Power 1000" and "wall paper 1000 conforming to non-combustible material", both released in October 2015, were well received and their sales increased from the previous term, sales of curtains decreased from the previous term due to the slow recovery in the demand for housing. The result of this was that net sales for the product business were 56,664 million yen (increase of 0.9% compared to the previous term), and the segment income was 2,859 million yen (increase of 23.7% compared to the previous term).

<Interior Wholesaling and Installation Business>

For the interior wholesale business, purchase sales related to interior hardware such as blinds, building materials and facilities continued on a gentle recovery in the second half as the number of housing starts started to increase. In the installation business, orders in the non-housing market were steady. The results were net sales of 59,361 million yen (up 0.8% on the previous term) in the interior wholesaling and installation business, with segment income of 1,148 million yen (up 5.5% on the previous term).

(Outlook for the next term)

In terms of future prospects, as the domestic economy is expected to continue on a gentle recovery, the future situation may change substantially depending on oil prices, exchange rates and stock markets, as well as whether the consumption tax hike planned for April 2017 will be implemented or not. The market environment for the interior industry is expected to remain severe as architectural starts have been weak. Within this situation, the TOLI Group is working to strengthen its business foundation and promote its growth strategy by strengthening the power of its products as well as its technical and development prowess based on the medium term business plan "SHINKA-100". Further, we are also promoting an approach to increase our business overseas.

Taking the above factors into consideration, we expect consolidated net sales of 92,800 million yen, consolidated operating income of 4,050 million yen, consolidated ordinary income of 4,100 million yen and consolidated profit attributable to owners of parent of 2,700 million yen for the fiscal year ending March 31, 2017 (full term).

(2) Discussion and analysis of the financial situation

[1] State of assets, liabilities and net assets

Total assets for the current consolidated fiscal year, with the increase in cash and deposits and property, plant and equipment, increased by 873 million yen compared to the end of the previous term, to 72,923 million yen.

Liabilities, with the decrease in notes and accounts payable - trade, decreased 767 million yen in comparison to the end of the previous term to 42,600 million yen.

Net assets increased by 1,641 million yen compared to the end of the previous year to finish at 30,323 million yen due to factors such as an increase in retained earnings.

[2] State of cash flows

Cash and cash equivalents during the current consolidated fiscal year increased 679 million yen compared to the end of the previous year to finish at 8,955 million yen (8,276 million yen at the end of the previous term).

The respective cash flows for the current consolidated fiscal year and their causes are as shown below.

Cash flows from operating activities ended with income of 4,426 million yen (income of 3,324 million yen for the previous term). Income increased compared to the previous term, due to a decrease in inventories and decrease in trade receivables.

Cash flows from investing activities ended with outgoings of 2,571 million yen (outgoings of 1,671 million yen for the previous term). With the increase in expenditure on the purchase of property, plant and equipment, expenditure increased compared to the previous term.

Cash flows from financing activities ended with outgoings of 1,145 million yen (outgoings of 1,207 million yen during the previous year). With the decrease in the difference between the expenditure by repayments of long-term loans payable and the proceeds from long-term loans payable, expenditure decreased compared to the previous term.

Cash flow indices for the Group are shown below.

	Period ended March 2013	Period ended March 2014	Period ended March 2015	Period ended March 2016
Capital-to-asset ratio (%)	37.9	37.7	39.6	41.4
Capital-to-asset ratio on market value basis (%)	20.1	18.4	23.6	24.3
Cash flow-to-interest-bearing debt ratio (years)	5.7	2.5	2.8	2.1
Interest coverage ratio	11.9	32.9	29.3	41.3

(Notes)Capital-to-asset ratio: Equity capital/total assets

Capital-to-asset ratio on market value basis: Market capitalization for stock/total assets

Cash flow-to-interest-bearing debt ratio: Interest-bearing debts/cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities/interest payments

- Each of the indexes above was calculated based on the financial data on a consolidated basis.
- Market capitalization for stock was calculated as follows: Term-end closing price for shares x Term-end number of shares outstanding (after deduction for treasury shares).
- For the cash flows from operating activities, the data for cash flows from operating activities as stated in the consolidated statements of cash flows was used. Interest bearing debt covers all types of debt with interest payment among the debt stated in the consolidated balance sheet. For interest payments, the data for interest expenses paid shown in the consolidated statements of cash flows was used.

(3) Basic policy regarding dividend payment, and dividend payments for the current term and next term

With respect to dividend payments, TOLI understands that returning profits to its shareholders is an important mission, and its basic policy is to continue paying dividends using a stable approach. To this end, we believe that we need to bolster and stabilize our operating foundations and ensure future growth. The Company decides the amount and frequency of its dividend payments by taking into consideration the overall business environment from a medium- and long-term perspective, as well as considering the Company's financial situation for each fiscal term. Decision-making bodies for the Company with respect to term-end dividends and interim dividends are the general meetings of shareholders and the Board of Directors, respectively. For the fiscal year under review, we plan to pay a term-end dividend of 9 yen per share. For the next term, we plan to pay an interim dividend of 2 yen per share and a term-end dividend of 7 yen per share, which means a dividend of 9 yen per share on an annual basis.

2. The TOLI Group

The TOLI Group is comprised of 20 companies: the Company, 17 subsidiaries and 2 affiliates, and conducts business in two segments, “Product business” including the manufacture of interior products centered on interior decoration materials and other related operations and “Interior wholesaling and installation business” including the purchase and sale of interior related materials and interior decoration work, etc.

The positioning of the Company and its related companies, and relations with segments are as follows. The Group's business categories are the same classifications as the segments.

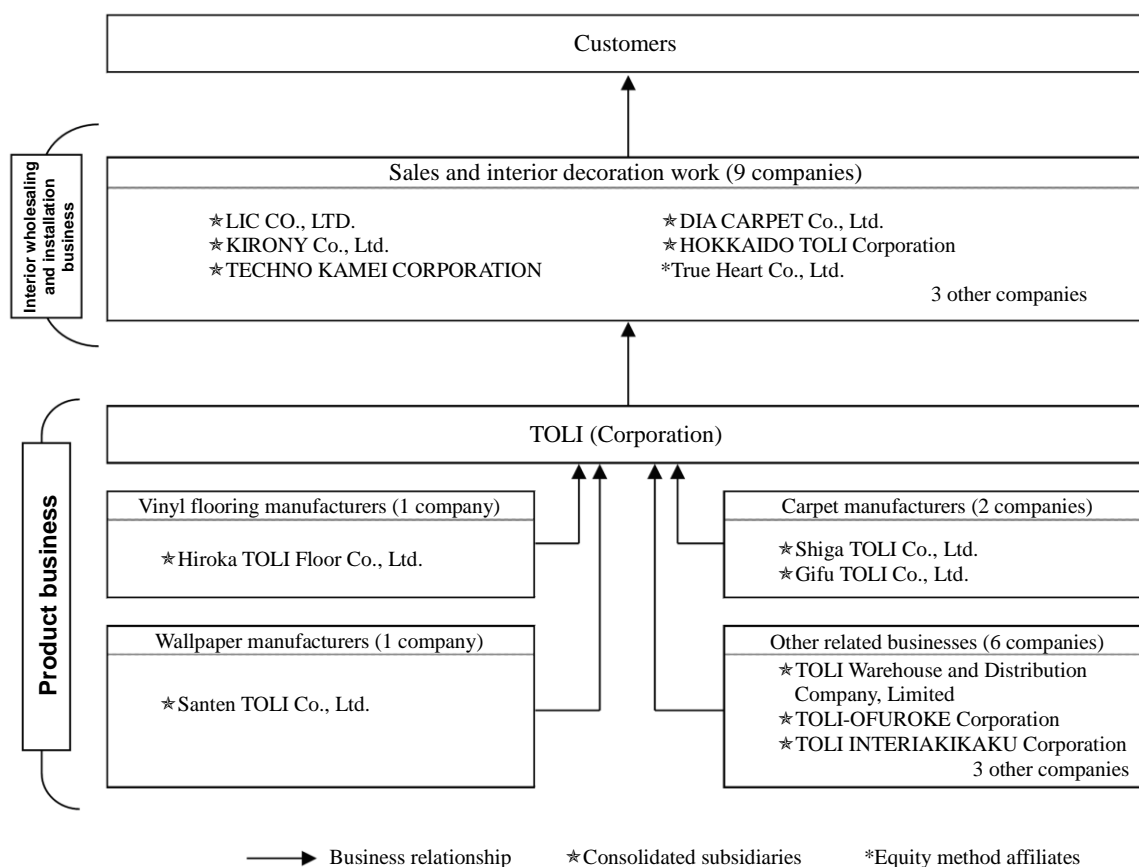
<Product business>

The Company and Hiroka TOLI Floor Co., Ltd. manufacture vinyl flooring products such as vinyl tiles and vinyl sheets, Shiga TOLI Co., Ltd. and Gifu TOLI Co., Ltd. manufacture carpets, and Santen TOLI Co., Ltd. manufactures wallpaper under the control of the Company’s Manufacturing Headquarters. In addition, companies including TOLI INTERIAKIKAKU Corporation, etc., carry out curtain planning and sewing production, and TOLI-OFUROKE Corporation carries out maintenance of interior decorating materials as other related business. TOLI Warehouse and Distribution Company, Limited, carries out product inventory management and distribution work for the TOLI Group.

<Interior Wholesaling and Installation Business>

Various sales companies such as LIC CO., LTD., KIRONY Co., Ltd., TECHNO KAMEI CORPORATION, DIA CARPET CO., LTD., HOKKAIDO TOLI Corporation and True Heart Co., Ltd., etc., purchase and sell interior-related materials and carry out interior decoration work, etc.

The main roles and business relationships of each of the group companies listed above are as shown in the illustration below.



3. Management policy

(1) Basic management policy

The TOLI Group operates its business activities based on the following three management principles: “We will contribute to improving lifestyles and culture through our interior decoration business;” “Customer-first thinking is our code of conduct;” and “We seek to become the leader in the total interior business.” With “Everything is for the customer” as our action guideline, we aim to provide products and services that can bring quality to every kind of residential, commercial and other space that people encounter in their daily lives, including houses and residential buildings, office buildings, schools, medical and welfare facilities and commercial facilities. Through these activities, we seek to continually raise our corporate value. We will strictly observe all laws and ordinances, and we will always conduct ourselves as a good corporate citizen, fulfilling our responsibility toward society, for example by preserving the global environment. Our goal is to be a corporate group that society will trust, with great expectations.

(2) Target management indicators

The TOLI Group strives to enhance profitability, which contributes to the improvement of long-term corporate value, and to ensure growth and potential, and always promotes the improvement of operational efficiency throughout the corporate group. As part of the medium term business plan “SHINKA-100” (phase I), which started in 2015, the consolidated business targets for FY2017 are net sales of 95,000 million yen, ordinary income of 4,000 million yen, ROA (return on total assets) of 5% or above and ROE (return on equity) of 8% or above, as the first step towards the milestone of “the 100th anniversary since our foundation” (2019).

(3) The Company's medium-term business management strategy and issues to be tackled

The TOLI Group promotes the 6-year medium term business plan “SHINKA-100,” with phase I as the 3 years from FY2015 to FY2017, and the 3 years from FY2018, through FY2019, our “hundred anniversary year” to FY2020 as phase II. Through this plan, we are aiming to reform our business structure, combining flexibility and toughness, adopting the following three priority strategies.

[1] SHINKA 1 “Evolution” - the growth and development of core businesses -

Work to strengthen product power, as well as technical and development prowess in the TOLI Group core flooring and carpet businesses, working for the further evolution in our approach from that of the previous medium term 3 years. Further, we are promoting the optimization of bases for improving operational efficiency. On the sales front, in addition to strengthening the sales force and improving sales efficiency in the group as a whole, we are focusing our sales promotions on fields where we can expect growth, in order to increase our market share.

[2] SHINKA 2 “Deepening” - expanding our global business development -

In addition to establishing and promoting a sales network for expanding business in overseas countries, such as Asia, Middle-East, Oceania and the U.S., we are working to develop products matching the overseas market and establish a supply structure. Additionally, while promoting a global approach to internal resources and support structure, we are exploring the potential for global business development from various viewpoints, such as raw materials, procurement and production.

[3] SHINKA 3 “True value” - establishment of business foundations for the purpose of growth and development -

We are working to strength human resource nurturing and the essential nature of finance, as well as improving business processes, promoting the establishment of business foundations for the growth and development of the TOLI Group. Further, we are improving our ability to produce profit, through the development of high value-added products, optimization of the supply chain and a reduction in production cost.

The TOLI Group promotes “TOLI ECO SPIRIT 2015-2017” for further contribution to an environmentally harmonious society. We are promoting an approach that will lower the burden on the environment, such as the expansion of recycling and promotion of zero emissions.

The TOLI Group recognizes ensuring suitable corporate governance is another important management issue. We are working to achieve a sound, highly transparent company and are aiming for the continuous improvement of corporate value.

4. Basic thinking concerning selection of accounting standards

The TOLI Group, in consideration of the potential for comparing periods and the potential for comparison between companies on the consolidated financial statements, aim to create consolidated financial statements according to the Japan standard for the time being.

Moving forward, we aim to investigate the application of international accounting standards, in consideration of domestic and international circumstances.

5. Consolidated financial statements

(1) Consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	7,619	8,299
Notes and accounts receivable - trade	27,597	27,288
Securities	716	716
Merchandise and finished goods	7,299	6,895
Work in process	991	1,164
Raw materials and supplies	1,434	1,425
Deferred tax assets	448	479
Other	853	790
Allowance for doubtful accounts	(263)	(261)
Total current assets	46,698	46,797
Non-current assets		
Property, plant and equipment		
Buildings and structures	18,570	20,170
Accumulated depreciation	(13,863)	(14,028)
Buildings and structures, net	4,707	6,141
Machinery, equipment and vehicles	22,784	23,645
Accumulated depreciation	(20,951)	(21,332)
Machinery, equipment and vehicles, net	1,833	2,313
Tools, furniture and fixtures	2,151	2,169
Accumulated depreciation	(1,922)	(1,952)
Tools, furniture and fixtures, net	229	216
Land	9,089	9,073
Construction in progress	1,044	290
Other	114	126
Accumulated depreciation	(59)	(41)
Other, net	55	84
Total property, plant and equipment	16,958	18,120
Intangible assets		
Software	422	318
Other	70	66
Total intangible assets	493	384
Investments and other assets		
Investment securities	5,185	4,604
Long-term loans receivable	98	83
Net defined benefit asset	524	283
Deferred tax assets	545	753
Other	1,731	2,046
Allowance for doubtful accounts	(185)	(150)
Total investment and other assets	7,899	7,621
Total non-current assets	25,351	26,126
Total assets	72,049	72,923

(Million yen)

	Previous consolidated fiscal year (March 31, 2015)	Current consolidated fiscal year (March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,675	22,911
Short-term loans payable	1,900	1,980
Income taxes payable	751	873
Accrued expenses	1,571	1,593
Provision for bonuses	678	750
Provision for directors' bonuses	-	15
Notes payable - facilities	920	855
Other	1,674	1,622
Total current liabilities	31,171	30,601
Non-current liabilities		
Long-term loans payable	5,650	5,300
Net defined benefit liability	4,147	4,082
Asset retirement obligations	100	102
Long-term guarantee deposited	1,876	1,950
Other	421	564
Total non-current liabilities	12,196	11,999
Total liabilities	43,368	42,600
Net assets		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,423	6,423
Retained earnings	15,035	17,024
Treasury shares	(1,118)	(1,120)
Total shareholders' equity	27,196	29,182
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,596	1,288
Remeasurements of defined benefit plans	(231)	(308)
Total accumulated other comprehensive income	1,364	979
Non-controlling interests	119	160
Total net assets	28,681	30,323
Total liabilities and net assets	72,049	72,923

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)	Current consolidated fiscal year (April 1, 2015 - March 31, 2016)
Net sales	90,806	91,840
Cost of sales	66,064	66,036
Gross profit	24,741	25,804
Selling, general and administrative expenses	21,588	21,978
Operating income	3,152	3,825
Non-operating income		
Interest income	6	4
Dividend income	102	145
Purchase discounts	77	81
Share of profit of entities accounted for using equity method	5	20
Foreign exchange gains	48	-
Real estate rent	57	63
Dividend income of insurance	49	46
Other	101	68
Total non-operating income	448	431
Non-operating expenses		
Interest expenses	112	104
Sales discounts	132	139
Foreign exchange losses	-	46
Other	75	59
Total non-operating expenses	320	349
Ordinary income	3,281	3,907
Extraordinary income		
Gain on sales of non-current assets	2	-
Total extraordinary income	2	-
Extraordinary losses		
Loss on retirement of non-current assets	21	111
Loss on sales of non-current assets	-	11
Loss on valuation of investment securities	-	107
Total extraordinary losses	21	230
Profit before income taxes	3,262	3,677
Income taxes - current	1,076	1,237
Income taxes - deferred	193	(22)
Total income taxes	1,270	1,214
Profit	1,992	2,462
Profit attributable to non-controlling interests	14	41
Profit attributable to owners of parent	1,978	2,420

(Consolidated statement of comprehensive income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)	Current consolidated fiscal year (April 1, 2015 - March 31, 2016)
Profit	1,992	2,462
Other comprehensive income		
Valuation difference on available-for-sale securities	778	(307)
Remeasurements of defined benefit plans, net of tax	278	(76)
Total other comprehensive income	1,057	(384)
Comprehensive income	3,050	2,078
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,036	2,036
Comprehensive income attributable to non-controlling interests	14	42

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at start of current term	6,855	6,423	13,466	(1,115)	25,629
Cumulative effects of changes in accounting policies			(100)		(100)
Restated balance	6,855	6,423	13,365	(1,115)	25,529
Changes of items during period					
Dividends of surplus			(308)		(308)
Profit attributable to owners of parent			1,978		1,978
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,670	(2)	1,667
Balance at end of current term	6,855	6,423	15,035	(1,118)	27,196

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of current term	817	(510)	306	107	26,043
Cumulative effects of changes in accounting policies					(100)
Restated balance	817	(510)	306	107	25,943
Changes of items during period					
Dividends of surplus					(308)
Profit attributable to owners of parent					1,978
Purchase of treasury shares					(2)
Net changes of items other than shareholders' equity	778	278	1,057	12	1,070
Total changes of items during period	778	278	1,057	12	2,737
Balance at end of current term	1,596	(231)	1,364	119	28,681

Current consolidated fiscal year (April 1, 2015 - March 31, 2016)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at start of current term	6,855	6,423	15,035	(1,118)	27,196
Cumulative effects of changes in accounting policies			-		-
Restated balance	6,855	6,423	15,035	(1,118)	27,196
Changes of items during period					
Dividends of surplus			(431)		(431)
Profit attributable to owners of parent			2,420		2,420
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,988	(2)	1,985
Balance at end of current term	6,855	6,423	17,024	(1,120)	29,182

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at start of current term	1,596	(231)	1,364	119	28,681
Cumulative effects of changes in accounting policies					-
Restated balance	1,596	(231)	1,364	119	28,681
Changes of items during period					
Dividends of surplus					(431)
Profit attributable to owners of parent					2,420
Purchase of treasury shares					(2)
Net changes of items other than shareholders' equity	(307)	(76)	(384)	40	(343)
Total changes of items during period	(307)	(76)	(384)	40	1,641
Balance at end of current term	1,288	(308)	979	160	30,323

(4) Consolidated statements of cash flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)	Current consolidated fiscal year (April 1, 2015 - March 31, 2016)
Cash flows from operating activities		
Profit before income taxes	3,262	3,677
Depreciation	1,236	1,276
Amortization of goodwill	2	-
Amortization of long-term prepaid expenses	455	469
Loss on retirement of non-current assets	21	111
Loss (gain) on sales of non-current assets	(2)	11
Loss (gain) on valuation of investment securities	-	107
Increase (decrease) in allowance for doubtful accounts	(177)	(36)
Increase (decrease) in net defined benefit liability	(141)	(44)
Share of (profit) loss of entities accounted for using equity method	(5)	(20)
Interest and dividend income	(108)	(150)
Interest expenses	112	104
Foreign exchange losses (gains)	(37)	30
Decrease (increase) in notes and accounts receivable - trade	(64)	329
Decrease (increase) in inventories	(557)	240
Increase (decrease) in notes and accounts payable - trade	(39)	(764)
Other, net	387	190
Subtotal	4,343	5,531
Interest and dividend income received	108	150
Interest expenses paid	(113)	(107)
Income taxes (paid) refund	(1,013)	(1,148)
Cash flows from operating activities	3,324	4,426
Cash flows from investing activities		
Payments into time deposits	(60)	(60)
Proceeds from withdrawal of time deposits	62	60
Purchase of property, plant and equipment	(1,948)	(2,324)
Proceeds from sales of property, plant and equipment	9	8
Purchase of intangible assets	(38)	(44)
Purchase of investment securities	(3)	(4)
Payments of loans receivable	(8)	(22)
Collection of loans receivable	37	39
Other, net	278	(222)
Cash flows from investing activities	(1,671)	(2,571)

(Million yen)

	Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)	Current consolidated fiscal year (April 1, 2015 - March 31, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(9)	(120)
Proceeds from long-term loans payable	450	1,450
Repayments of long-term loans payable	(910)	(1,600)
Repayments of lease obligations	(21)	(23)
Payments for long-term accounts payable - other	(404)	(415)
Purchase of treasury shares	(2)	(2)
Cash dividends paid	(308)	(431)
Dividends paid to non-controlling interests	(1)	(1)
Cash flows from financing activities	(1,207)	(1,145)
Effect of exchange rate change on cash and cash equivalents	37	(30)
Net increase (decrease) in cash and cash equivalents	483	679
Cash and cash equivalents at beginning of year	7,792	8,276
Cash and cash equivalents at end of year	8,276	8,955

(5) Notes on consolidated financial statements

(Notes on the assumption of the company as a going concern)

No corresponding item exists.

(Changes in accounting policies)

(Adoption of accounting standards related to business combinations)

Standards including the “Accounting Standard for Business Combinations” (Accounting Standards of the Board of Japan (hereafter referred as "ASBJ") Statement No.21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013), and Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013) shall apply from the current consolidated accounting period. Additionally, the indication has been changed for items including profit, and minority interests were changed to non-controlling interests. In order to reflect the above indication changes, the reclassified figures are shown in the consolidated financial statements for the previous consolidated accounting period.

(Segment information, etc.)

1. Outline of reporting segments

The Company’s reporting segments are those of the TOLI Group’s constituent units for which segregated financial information can be obtained and are subject to the Board of Directors conducting regular investigations in order to determine the allocation of management resources and evaluate performance.

The TOLI Group manufactures, purchases, sells and installs interior products centered on interior decoration materials, and also performs interior-related decoration work, and has 2 reporting segments: “Product business” and “Interior wholesaling and installation business.”

In regard to “Product business,” apart from the Company, related companies under the control of the Company’s Manufacturing Headquarters manufacture interior products such as vinyl flooring and carpets, etc., and carry out services related to that such as interior decoration material maintenance, product warehouse management and distribution, etc.

In regard to “Interior wholesaling and installation business,” related companies that manage sales and marketing operations purchase and sell interior-related materials, and carry out interior decoration-related work, etc.

2. Method of calculating amount of net sales, profit, assets and other items for each reporting segment

The method of accounting for the reported business segment is a method that conforms to the accounting principles and procedures adopted in order to create the consolidated financial statements.

Reporting segment income is a figure based on ordinary income.

The internal revenue and transfers within the segment are based on the market price.

3. Information on net sales, profit or loss, assets and other items for each reporting segment.

Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)

(Million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Subtotal		
Net sales					
Sales to external customers	32,311	58,494	90,806	-	90,806
Internal sales or transfers among segments	23,867	410	24,278	(24,278)	-
Subtotal	56,179	58,905	115,084	(24,278)	90,806
Segment income	2,311	1,088	3,399	(118)	3,281
Segment assets	62,581	27,112	89,693	(17,643)	72,049
Other items					
Depreciation	1,182	54	1,236	-	1,236
Amortization of goodwill	0	1	2	-	2
Interest income	5	41	46	(40)	6
Interest expenses	147	5	153	(40)	112
Investment income on equity method	3	-	3	1	5
Value of investment in equity method affiliates	203	-	203	(1)	201
Increase in property, plant and equipment, and intangible assets	2,836	73	2,910	-	2,910

(Notes) 1 The adjustment of segment income of -118 million yen and the adjustment of segment assets of -17,643 million yen are due to the elimination of transactions between segments

2 Segment income has been adjusted with ordinary income in the consolidated statement of income.

Current consolidated fiscal year (April 1, 2015 - March 31, 2016)

(Million yen)

	Reporting segment			Adjustment (Note) 1	Value posted in the consolidated financial statements (Note) 2
	Product business	Interior wholesaling and installation business	Subtotal		
Net sales					
Sales to external customers	32,894	58,945	91,840	-	91,840
Internal sales or transfers among segments	23,770	415	24,186	(24,186)	-
Subtotal	56,664	59,361	116,026	(24,186)	91,840
Segment income	2,859	1,148	4,007	(100)	3,907
Segment assets	63,158	27,460	90,618	(17,694)	72,923
Other items					
Depreciation	1,227	48	1,276	-	1,276
Interest income	3	41	44	(39)	4
Interest expenses	139	4	144	(39)	104
Investment income on equity method	19	-	19	1	20
Value of investment in equity method affiliates	221	-	221	-	221
Increase in property, plant and equipment, and intangible assets	2,363	37	2,400	-	2,400

(Notes) 1 The adjustment of segment income of -100 million yen and the adjustment of segment assets of -17,694 million yen are due to the elimination of transactions between segments.

2 Segment income has been adjusted with ordinary income in the consolidated statement of income.

(Per-share data)

Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)		Current consolidated fiscal year (April 1, 2015 - March 31, 2016)	
Net assets per share	462.90 yen	Net assets per share	488.92 yen
Profit per share	32.07 yen	Profit per share	39.23 yen

(Notes) 1 Profit per share – diluted is omitted because there was no potential dilution.

2 The basis for calculation of profit per share is as follows.

	Previous consolidated fiscal year (April 1, 2014 - March 31, 2015)	Current consolidated fiscal year (April 1, 2015 - March 31, 2016)
Profit per share		
Profit attributable to owners of parent (million yen)	1,978	2,420
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	1,978	2,420
Average number of common stock shares during the period (1,000 shares)	61,706	61,696

(Important post-balance sheet events)

No corresponding item exists.

6. Non-consolidated financial statements

(1) Balance sheets

(Million yen)

	Previous fiscal year (March 31, 2015)	Current fiscal year (March 31, 2016)
Assets		
Current assets		
Cash and deposits	5,604	5,966
Notes receivable - trade	6,966	6,788
Accounts receivable - trade	15,116	14,980
Securities	716	716
Merchandise and finished goods	7,240	6,875
Work in process	231	246
Raw materials and supplies	943	920
Prepaid expenses	317	343
Deferred tax assets	230	238
Other	2,413	2,634
Allowance for doubtful accounts	(118)	(123)
Total current assets	39,663	39,586
Non-current assets		
Property, plant and equipment		
Buildings, net	3,581	4,892
Structures, net	206	308
Machinery and equipment, net	1,065	1,232
Vehicles, net	26	27
Tools, furniture and fixtures, net	195	193
Land	6,720	6,720
Construction in progress	650	193
Other, net	23	36
Total property, plant and equipment	12,470	13,604
Intangible assets		
Software	406	305
Other	12	15
Total intangible assets	418	321
Investments and other assets		
Investment securities	4,481	3,950
Shares of subsidiaries and associates	1,145	1,145
Investments in capital of subsidiaries and associates	40	40
Long-term loans receivable	766	1,045
Long-term prepaid expenses	180	352
Deferred tax assets	240	382
Other	1,469	1,601
Allowance for doubtful accounts	(19)	(8)
Total investments and other assets	8,305	8,509
Total non-current assets	21,194	22,436
Total assets	60,858	62,022

(Million yen)

	Previous fiscal year (March 31, 2015)	Current fiscal year (March 31, 2016)
Liabilities		
Current liabilities		
Notes payable - trade	3,549	3,859
Accounts payable - trade	12,167	11,250
Short-term loans payable	300	180
Current portion of long-term loans payable	1,600	1,800
Accounts payable - other	929	1,062
Accrued expenses	1,322	1,281
Income taxes payable	423	526
Deposits received	7,119	7,526
Provision for bonuses	359	402
Provision for directors' bonuses	-	15
Other	13	17
Total current liabilities	27,784	27,921
Non-current liabilities		
Long-term loans payable	5,650	5,300
Provision for retirement benefits	3,045	3,085
Asset retirement obligations	55	56
Other	1,981	2,263
Total non-current liabilities	10,732	10,706
Total liabilities	38,516	38,627
Net assets		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus		
Legal capital surplus	1,789	1,789
Other capital surplus	4,633	4,633
Total capital surplus	6,423	6,423
Retained earnings		
Other retained earnings		
General reserve	5,000	5,000
Retained earnings brought forward	3,724	5,039
Total retained earnings	8,724	10,039
Treasury shares	(1,118)	(1,120)
Total shareholders' equity	20,885	22,197
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,456	1,197
Total valuation and translation adjustments	1,456	1,197
Total net assets	22,342	23,394
Total liabilities and net assets	60,858	62,022

(2) Statements of income

(Million yen)

	Previous fiscal year (April 1, 2014 - March 31, 2015)	Current fiscal year (April 1, 2015 - March 31, 2016)
Net sales	56,034	56,535
Cost of sales	39,006	38,508
Gross profit	17,028	18,027
Selling, general and administrative expenses	15,107	15,476
Operating income	1,921	2,550
Non-operating income		
Interest and dividend income	228	245
Other	379	343
Total non-operating income	608	589
Non-operating expenses		
Interest expenses	148	140
Other	207	255
Total non-operating expenses	355	395
Ordinary income	2,173	2,744
Extraordinary losses		
Loss on retirement of non-current assets	18	94
Loss on valuation of investment securities	-	107
Total extraordinary losses	18	201
Profit before income taxes	2,155	2,543
Income taxes - current	614	781
Income taxes - deferred	149	15
Total income taxes	763	796
Profit	1,391	1,746

(3) Statement of changes in equity

Previous fiscal year (April 1, 2014 - March 31, 2015)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at start of current term	6,855	1,789	4,633	6,423	5,000	2,791	7,791	(1,115)	19,954
Cumulative effects of changes in accounting policies						(150)	(150)		(150)
Restated balance	6,855	1,789	4,633	6,423	5,000	2,641	7,641	(1,115)	19,804
Changes of items during period									
Dividends of surplus						(308)	(308)		(308)
Profit						1,391	1,391		1,391
Purchase of treasury shares								(2)	(2)
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	-	1,083	1,083	(2)	1,081
Balance at end of current term	6,855	1,789	4,633	6,423	5,000	3,724	8,724	(1,118)	20,885

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at start of current term	753	753	20,708
Cumulative effects of changes in accounting policies			(150)
Restated balance	753	753	20,557
Changes of items during period			
Dividends of surplus			(308)
Profit			1,391
Purchase of treasury shares			(2)
Net changes of items other than shareholders' equity	703	703	703
Total changes of items during period	703	703	1,784
Balance at end of current term	1,456	1,456	22,342

Current fiscal year (April 1, 2015 - March 31, 2016)

(Million yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at start of current term	6,855	1,789	4,633	6,423	5,000	3,724	8,724	(1,118)	20,885
Cumulative effects of changes in accounting policies							-		-
Restated balance	6,855	1,789	4,633	6,423	5,000	3,724	8,724	(1,118)	20,885
Changes of items during period									
Dividends of surplus						(431)	(431)		(431)
Profit						1,746	1,746		1,746
Purchase of treasury shares								(2)	(2)
Net changes of items other than shareholders' equity									
Total changes of items during period	-	-	-	-	-	1,314	1,314	(2)	1,311
Balance at end of current term	6,855	1,789	4,633	6,423	5,000	5,039	10,039	(1,120)	22,197

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at start of current term	1,456	1,456	22,342
Cumulative effects of changes in accounting policies			-
Restated balance	1,456	1,456	22,342
Changes of items during period			
Dividends of surplus			(431)
Profit			1,746
Purchase of treasury shares			(2)
Net changes of items other than shareholders' equity	(259)	(259)	(259)
Total changes of items during period	(259)	(259)	1,052
Balance at end of current term	1,197	1,197	23,394

7. Others

(1) Change of Directors

Retiring Directors (Scheduled for June 23, 2016)

Kenji Kashihara (the current Chairman and Director)

*Scheduled to be appointed as Senior Adviser of the Company

Masao Ohtani (the current Senior Managing Director and Acting President)

* Scheduled to be appointed as Adviser of the Company