



Financial Announcement for Year Ended March 31, 2018 [Japan standard] (Consolidated)

May 8, 2018

Company name TOLI Corporation Stock Exchanges: Tokyo Stock Exchange
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 for inquiries General Manager, Accounting and Finance Department

Scheduled date for ordinary general meeting of shareholders June 20, 2018 Scheduled date for start of dividend payments June 21, 2018
 Scheduled date for submission of financial statements June 20, 2018
 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 2018 (April 1, 2017 to March 31, 2018)

(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 2018	91,291	(0.2)	3,522	(17.1)	3,681	(15.7)	2,479	(18.2)
Year ended March 2017	91,466	(0.4)	4,249	11.1	4,367	11.8	3,031	25.2

(Note) Comprehensive income Year ended March 2018 2,956 million yen (-24.4%) Year ended March 2017 3,913 million yen (88.3%)

	Profit per share	Profit per share - diluted	Return on equity capital	Return on total assets	Operating income on sales
	Yen	Yen	%	%	%
Year ended March 2018	40.20	-	7.2	4.8	3.9
Year ended March 2017	49.14	-	9.5	5.9	4.6

(Reference) Investment gain or loss under equity method Year ended March 2018 3 million yen Year ended March 2017 13 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 2018	77,714	35,894	45.9	578.76
Year ended March 2017	75,498	33,555	44.2	541.03

(Reference) Equity capital Year ended March 2018 35,703 million yen Year ended March 2017 33,376 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 2018	2,668	(2,690)	(1,231)	9,176
Year ended March 2017	5,187	(2,254)	(1,547)	10,353

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 2017	-	2.00	-	8.00	10.00	616	20.4	1.9
Year ended March 2018	-	2.00	-	8.00	10.00	616	24.9	1.8
Year ending March 2019 (forecast)	-	2.00	-	8.00	10.00		29.4	

3. Consolidated forecasts for year ending March 2019 (April 1, 2018 to March 31, 2019)

(% 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)	43,300	2.6	600	(46.6)	700	(44.0)	400	(51.8)	6.48
Full term	94,000	3.0	3,100	(12.0)	3,200	(13.1)	2,100	(15.3)	34.04

* 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: None
- [2] Changes to accounting policies other than [1]: None
- [3] Changes in accounting estimates: None
- [4] Representation of amendments: None

(3) Number of outstanding shares (ordinary shares)

[1] Number of outstanding shares at end of year (including treasury shares)	Year ended March 2018	66,829,249 shares	Year ended March 2017	66,829,249 shares
[2] Number of shares in treasury shares at end of year	Year ended March 2018	5,140,316 shares	Year ended March 2017	5,138,586 shares
[3] Average number of shares during the term	Year ended March 2018	61,689,931 shares	Year ended March 2017	61,691,645 shares

(Reference) Outline of Non-Consolidated business performance

Non-consolidated business performance for year ended March 2018 (April 1, 2017 to March 31, 2018)

(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 2018	54,902	(0.9)	2,483	(18.4)	2,886	(12.7)	2,062	(14.2)
Year ended March 2017	55,387	(2.0)	3,042	19.3	3,307	20.5	2,403	37.6

	Profit per share		Profit per share - diluted	
	Yen		Yen	
Year ended March 2018	33.43		-	
Year ended March 2017	38.95		-	

(2) Non-consolidated financial state

	Total assets		Net assets		Capital-to-asset ratio	Net asset per share
	Million yen		Million yen		%	Yen
Year ended March 2018	64,992		27,407		42.2	444.29
Year ended March 2017	63,417		25,764		40.6	417.64

(Reference) Equity capital Year ended March 2018 27,407 million yen Year ended March 2017 25,764 million yen

* This document is out of the scope of audit by a certified public accountant or an audit corporation.

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

The financial forecasts and other descriptions related to future events presented in this document are based on information currently available and certain assumptions judged as reasonable. As such, the financial forecasts and future descriptions are not considered to ensure the fulfillment thereof. Actual financial performance may vary significantly due to various factors. For details, such as assumptions of financial forecast and cautions when using the financial forecast, please refer to "1. Overview of Financial Results, etc. - (4) Financial Forecast" on page 4 of the attachment.

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1. Overview of the Management Performance, etc.

(1) Overview of the Management Performance

During the current consolidated fiscal year, the domestic economy continued to show a modest recovery due to steady improvements in corporate earnings, an increase in capital investment, and continuing improvements in the employment environment. However, there are concerns such as policy trends of major foreign countries including U.S. and a growing geopolitical risk, and the outlook remains uncertain. In the interior industry, expectations are growing for full-scale creation of large redevelopment projects mainly in urban areas as well as for demand for new construction and renovation of accommodation and commercial facilities as a result of the expanding inbound tourism effect. Meanwhile, the business environment remained severe as evidenced by factors such as an increase in logistics cost triggered by fierce competition and labor shortage and a steep rise of prices of major raw materials due to effects of rising crude oil/naphtha prices.

Amidst these circumstances, the TOLI Group promoted its growth strategy based on Phase I (2015 - 2017) of the medium-term business plan "SHINKA-100." In 2017, the last year of Phase I, the TOLI Group focused on technology research and product development toward further growth while selling unique products and strengthening sales capabilities.

As a result, on a consolidated basis, the Group achieved net sales of 91,291 million yen (a decrease of 0.2% against the previous period), operating income of 3,522 million yen (a decrease of 17.1% against the previous period), ordinary income of 3,681 million yen (a decrease of 15.7% against the previous period), and profit attributable to owners of parent of 2,479 million yen (a decrease of 18.2% against the previous period).

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

<Product Business>

For vinyl flooring, while early market penetration of the "Floorleum Premier NW Series," which was launched last May, was successfully implemented contributing to further expansion of the market share of the "NW Series," which does not require waxing maintenance over a long period of time, demand from medical and welfare facilities was sluggish. For carpets, sales of roll carpets remained strong because of the demand expansion for hotels and accommodation facilities. Also, the Company significantly renewed the "GA-100 Series," the major tile carpet product, last October. Of the series, "GA-100T," a general-purpose product with excellent design, is highly valued by various customers as a result of the nationwide promotion, and its sales are growing steadily. Regarding wall covering materials, while the use of "Flame-Resistant Approved Wallpaper 1000" and "REAL DECO," flame-resistant decorative finishing materials, increased steadily in the non-residential sector, sales of curtains decreased from the previous term due to the sluggish demand growth in the housing market. The result of this was that net sales for the product business were 55,082 million yen (a decrease of 0.8% compared to the previous term), and the segment income was 2,869 million yen (a decrease of 16.0% compared to the previous term).

<Interior Wholesaling and Installation Business>

For the interior wholesale business, the Company focused on sales promotion of new products released in the current year such as floor covering and tile carpets and worked to expand orders for interior materials. In the installation business, which leverages the Group's construction capabilities, sales increased from the previous term because orders for large-scale properties grew steadily. On the other hand, income declined from the previous term as personnel expenses of sales subsidiaries of the Group increased. The result of this was that net sales for the interior wholesaling and installation business were 59,500 million yen (an increase of 0.2% compared to the previous term), and the segment income was 968 million yen (a decrease of 11.2% compared to the previous term).

(2) Overview of Financial Position

<Assets>

Current assets amounted to 49,044 million yen, an increase of 984 million yen from the end of the previous fiscal year. This is due mainly to an increase of notes and accounts receivable because the closing date was a non-business day of financial institutions and an increase of inventories, although cash and deposits decreased. Non-current assets amounted to 28,669 million yen, an increase of 1,231 million yen from the end of the previous fiscal year. This is due mainly to an increase of software in progress for the expenditure for update of enterprise systems and an increase of machinery, equipment and vehicles. As a result, total assets amounted to 77,714 million yen, an increase of 2,215 million yen from the end of the previous fiscal year.

<Liabilities>

Current liabilities amounted to 29,619 million yen, a decrease of 266 million yen from the end of the previous fiscal year. This is due mainly to a decrease of income taxes payable, etc. Non-current liabilities amounted to 12,200 million yen, an increase of 143 million yen from the end of the previous fiscal year.

As a result, total liabilities amounted to 41,820 million yen, a decrease of 122 million yen from the end of the previous fiscal year.

<Net assets>

Consolidated net assets amounted to 35,894 million yen, an increase of 2,338 million yen from the end of the previous fiscal year. This is due mainly to an increase of retained earnings and valuation difference on available-for-sale securities.

(3) Overview of Cash Flows

Cash and cash equivalents during the current consolidated fiscal year decreased 1,177 million yen compared to the end of the previous year to finish at 9,176 million yen (10,353 million yen at the end of the previous term).

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

Cash flows from operating activities ended with income of 2,668 million yen (income of 5,187 million yen for the previous term). Income decreased compared to the previous term, due to an increase in accounts receivable and inventories, a decrease in profit before income taxes, etc.

Cash flows from investing activities ended with outgoings of 2,690 million yen (outgoings of 2,254 million yen for the previous term). With the increase in expenditure on the purchase of intangible assets, expenditure increased compared to the previous term.

Cash flows from financing activities ended with outgoings of 1,231 million yen (outgoings of 1,547 million yen during the previous term). With the decrease in expenditure on the repayments of long-term loans payable, expenditure decreased compared to the previous term.

Cash flow indices for the Group are shown below.

	Period ended March 2015	Period ended March 2016	Period ended March 2017	Period ended March 2018
Capital-to-asset ratio (%)	39.6	41.4	44.2	45.9
Capital-to-asset ratio on market value basis (%)	23.6	24.3	31.0	30.9
Cash flow-to-interest-bearing debt ratio (years)	2.8	2.1	1.7	3.3
Interest coverage ratio	29.3	41.3	57.4	32.0

(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

1. The indices above were calculated based on the financial data on a consolidated basis.
2. 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).
3. 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.

(4) Financial Forecast

In terms of future prospects, although the domestic economy is expected to show a modest recovery supported by the robust employment and income situations, the outlook for the corporate earnings environment is expected to remain uncertain due to growing concerns for global trade friction. In the interior industry, while expansion of interior-related demand is expected as environmental improvement projects will get into full swing toward the 2020 Tokyo Olympics and Paralympics, the income environment is expected to be more severe due to a further upward trend of prices of major raw materials, in addition to a delay in constructions caused by labor shortage, an increase of logistics cost, etc.

Amidst these circumstances, the TOLI Group has formulated the six-year medium-term business plan “SHINKA-100” (Phase I: 2015 - 2017/Phase II: 2018 - 2020) and is promoting its growth strategy. The Company will reach a major milestone in 2019, the “100th anniversary of its foundation.” The TOLI Group is striving as one to promote its growth strategy and strengthening of the business foundation and pursue further possibilities toward “beyond the hundred years” as a group.

Taking the above factors into consideration, we expect consolidated net sales of 94,000 million yen, consolidated operating income of 3,100 million yen, consolidated ordinary income of 3,200 million yen, and consolidated profit attributable to owners of parent of 2,100 million yen for the fiscal year ending March 2019 (full term).

* The earnings forecasts provided above are 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.

2. 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.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated balance sheets

(Million yen)

	Previous consolidated fiscal year (March 31, 2017)	Current consolidated fiscal year (March 31, 2018)
Assets		
Current assets		
Cash and deposits	10,413	9,253
Notes and accounts receivable - trade	27,046	28,054
Merchandise and finished goods	6,933	7,629
Work in process	1,108	1,312
Raw materials and supplies	1,443	1,538
Deferred tax assets	475	418
Other	863	903
Allowance for doubtful accounts	(224)	(65)
Total current assets	48,059	49,044
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,432	20,498
Accumulated depreciation	(14,284)	(14,455)
Buildings and structures, net	6,148	6,043
Machinery, equipment and vehicles	23,503	24,332
Accumulated depreciation	(21,388)	(21,714)
Machinery, equipment and vehicles, net	2,115	2,618
Tools, furniture and fixtures	2,163	2,296
Accumulated depreciation	(1,927)	(1,969)
Tools, furniture and fixtures, net	235	326
Land	9,075	9,088
Construction in progress	696	621
Other	124	140
Accumulated depreciation	(56)	(65)
Other, net	67	74
Total property, plant and equipment	18,339	18,771
Intangible assets		
Software	234	178
Software in progress	439	1,266
Other	55	49
Total intangible assets	728	1,494
Investments and other assets		
Investment securities	5,693	6,121
Long-term loans receivable	64	60
Deferred tax assets	435	271
Net defined benefit asset	351	426
Other	1,956	1,616
Allowance for doubtful accounts	(130)	(93)
Total investment and other assets	8,370	8,403
Total non-current assets	27,438	28,669
Total assets	75,498	77,714

(Million yen)

	Previous consolidated fiscal year (March 31, 2017)	Current consolidated fiscal year (March 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,809	23,748
Short-term loans payable	1,550	1,020
Income taxes payable	933	582
Accrued expenses	1,580	1,671
Provision for bonuses	797	783
Provision for directors' bonuses	10	10
Provision for environmental measures	3	-
Asset retirement obligations	-	58
Other	2,201	1,744
Total current liabilities	29,886	29,619
Non-current liabilities		
Long-term loans payable	5,305	5,705
Provision for environmental measures	27	27
Net defined benefit liability	4,094	4,028
Asset retirement obligations	110	53
Long-term guarantee deposited	2,062	2,057
Other	455	327
Total non-current liabilities	12,056	12,200
Total liabilities	41,943	41,820
Net assets		
Shareholders' equity		
Capital stock	6,855	6,855
Capital surplus	6,423	6,426
Retained earnings	19,377	21,247
Treasury shares	(1,121)	(1,122)
Total shareholders' equity	31,534	33,406
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,029	2,330
Foreign currency translation adjustment	-	1
Remeasurements of defined benefit plans	(187)	(35)
Total accumulated other comprehensive income	1,841	2,296
Non-controlling interests	178	190
Total net assets	33,555	35,894
Total liabilities and net assets	75,498	77,714

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

(Million yen)

	Previous consolidated fiscal year (April 1, 2016 - March 31, 2017)	Current consolidated fiscal year (April 1, 2017 - March 31, 2018)
Net sales	91,466	91,291
Cost of sales	65,031	65,315
Gross profit	26,434	25,975
Selling, general and administrative expenses	22,184	22,453
Operating income	4,249	3,522
Non-operating income		
Interest income	5	4
Dividend income	126	146
Purchase discounts	80	79
Share of profit of entities accounted for using equity method	13	3
Real estate rent	64	76
Dividend income of insurance	58	52
Other	73	67
Total non-operating income	422	430
Non-operating expenses		
Interest expenses	90	82
Sales discounts	137	133
Provision for environmental measures	31	-
Other	44	55
Total non-operating expenses	304	271
Ordinary income	4,367	3,681
Extraordinary income		
Gain on sales of non-current assets	2	7
Gain on sales of investment securities	-	2
Total extraordinary income	2	10
Extraordinary losses		
Loss on retirement of non-current assets	22	42
Loss on sales of non-current assets	-	14
Loss on sales of shares of subsidiaries and associates	-	4
Total extraordinary losses	22	60
Profit before income taxes	4,348	3,630
Income taxes - current	1,354	1,099
Income taxes - deferred	(57)	30
Total income taxes	1,297	1,130
Profit	3,050	2,500
Profit attributable to non-controlling interests	19	21
Profit attributable to owners of parent	3,031	2,479

(Consolidated statement of comprehensive income)

(Million yen)

	Previous consolidated fiscal year (April 1, 2016 - March 31, 2017)	Current consolidated fiscal year (April 1, 2017 - March 31, 2018)
Profit	3,050	2,500
Other comprehensive income		
Valuation difference on available-for-sale securities	741	301
Foreign currency translation adjustment	-	1
Remeasurements of defined benefit plans, net of tax	120	152
Total other comprehensive income	862	455
Comprehensive income	3,913	2,956
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	3,893	2,935
Comprehensive income attributable to non-controlling interests	19	21

(3) Consolidated statement of changes in equity

Previous consolidated fiscal year (April 1, 2016 - March 31, 2017)

(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	17,024	(1,120)	29,182
Changes of items during period					
Dividends of surplus			(678)		(678)
Profit attributable to owners of parent			3,031		3,031
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries					-
Change of scope of consolidation					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	2,352	(0)	2,352
Balance at end of current term	6,855	6,423	19,377	(1,121)	31,534

	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 start of current term	1,288	-	(308)	979	160	30,323
Changes of items during period						
Dividends of surplus						(678)
Profit attributable to owners of parent						3,031
Purchase of treasury shares						(0)
Disposal of treasury shares						0
Purchase of shares of consolidated subsidiaries						-
Change of scope of consolidation						-
Net changes of items other than shareholders' equity	740	-	120	861	18	880
Total changes of items during period	740	-	120	861	18	3,232
Balance at end of current term	2,029	-	(187)	1,841	178	33,555

Current consolidated fiscal year (April 1, 2017 - March 31, 2018)

(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	19,377	(1,121)	31,534
Changes of items during period					
Dividends of surplus			(616)		(616)
Profit attributable to owners of parent			2,479		2,479
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries		2			2
Change of scope of consolidation			7		7
Net changes of items other than shareholders' equity					
Total changes of items during period	-	2	1,869	(0)	1,871
Balance at end of current term	6,855	6,426	21,247	(1,122)	33,406

	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 start of current term	2,029	-	(187)	1,841	178	33,555
Changes of items during period						
Dividends of surplus						(616)
Profit attributable to owners of parent						2,479
Purchase of treasury shares						(0)
Disposal of treasury shares						-
Purchase of shares of consolidated subsidiaries						2
Change of scope of consolidation						7
Net changes of items other than shareholders' equity	301	1	152	454	12	466
Total changes of items during period	301	1	152	454	12	2,338
Balance at end of current term	2,330	1	(35)	2,296	190	35,894

(4) Consolidated statements of cash flows

(Million yen)

	Previous consolidated fiscal year (April 1, 2016 - March 31, 2017)	Current consolidated fiscal year (April 1, 2017 - March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	4,348	3,630
Depreciation	1,302	1,431
Amortization of long-term prepaid expenses	468	501
Loss on retirement of non-current assets	22	42
Loss (gain) on sales of non-current assets	(2)	6
Loss (gain) on sales of investment securities	-	(2)
Loss (gain) on sales of shares of subsidiaries and associates	-	4
Increase (decrease) in allowance for doubtful accounts	(57)	(195)
Increase (decrease) in net defined benefit liability	(61)	(55)
Share of loss (profit) of entities accounted for using equity method	(13)	(3)
Interest and dividend income	(131)	(151)
Interest expenses	90	82
Foreign exchange losses (gains)	(11)	27
Decrease (increase) in notes and accounts receivable - trade	257	(916)
Decrease (increase) in inventories	(0)	(971)
Increase (decrease) in notes and accounts payable - trade	(102)	809
Other, net	418	(231)
Subtotal	6,528	4,008
Interest and dividend income received	131	151
Interest expenses paid	(90)	(83)
Income taxes (paid) refund	(1,381)	(1,408)
Cash flows from operating activities	5,187	2,668
Cash flows from investing activities		
Payments into time deposits	(60)	(76)
Proceeds from withdrawal of time deposits	60	60
Purchase of property, plant and equipment	(1,838)	(1,913)
Proceeds from sales of property, plant and equipment	2	24
Purchase of intangible assets	(478)	(898)
Purchase of investment securities	(8)	(5)
Proceeds from sales of investment securities	-	5
Proceeds from sales of shares of subsidiaries and associates	-	7
Payments of loans receivable	(8)	(24)
Collection of loans receivable	36	27
Other, net	40	103
Cash flows from investing activities	(2,254)	(2,690)

(Million yen)

	Previous consolidated fiscal year (April 1, 2016 - March 31, 2017)	Current consolidated fiscal year (April 1, 2017 - March 31, 2018)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(30)	(30)
Proceeds from long-term loans payable	1,405	1,300
Repayments of long-term loans payable	(1,800)	(1,400)
Repayments of lease obligations	(26)	(27)
Payments for long-term accounts payable - other	(415)	(449)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(678)	(616)
Dividends paid to non-controlling interests	(1)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(5)
Other, net	0	-
Cash flows from financing activities	(1,547)	(1,231)
Effect of exchange rate change on cash and cash equivalents	11	(23)
Net increase (decrease) in cash and cash equivalents	1,397	(1,277)
Cash and cash equivalents at beginning of year	8,955	10,353
Increase in cash and cash equivalents from newly consolidated subsidiary	-	100
Cash and cash equivalents at end of year	10,353	9,176

(5) Notes on consolidated financial statements

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

No corresponding item exists.

(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 related services 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, 2016 - March 31, 2017)

(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	32,495	58,970	91,466	-	91,466
Internal sales or transfers among segments	23,043	420	23,464	(23,464)	-
Subtotal	55,538	59,391	114,930	(23,464)	91,466
Segment income	3,416	1,090	4,506	(138)	4,367
Segment assets	64,787	27,381	92,168	(16,669)	75,498
Other items					
Depreciation	1,260	42	1,302	-	1,302
Interest income	3	15	19	(14)	5
Interest expenses	103	1	104	(14)	90
Investment income on equity method	13	-	13	-	13
Value of investment in equity method affiliates	233	-	233	-	233
Increase in property, plant and equipment, and intangible assets	1,863	15	1,879	-	1,879

(Notes) 1 The adjustment of segment income of -138 million yen and the adjustment of segment assets of -16,669 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, 2017 - March 31, 2018)

(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	32,167	59,123	91,291	-	91,291
Internal sales or transfers among segments	22,914	376	23,291	(23,291)	-
Subtotal	55,082	59,500	114,583	(23,291)	91,291
Segment income	2,869	968	3,838	(157)	3,681
Segment assets	66,673	28,103	94,777	(17,062)	77,714
Other items					
Depreciation	1,379	52	1,431	-	1,431
Interest income	3	16	19	(15)	4
Interest expenses	96	1	97	(15)	82
Investment income on equity method	3	-	3	-	3
Value of investment in equity method affiliates	235	-	235	-	235
Increase in property, plant and equipment, and intangible assets	2,611	73	2,685	-	2,685

(Notes) 1 The adjustment of segment income of -157 million yen and the adjustment of segment assets of -17,062 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, 2016 - March 31, 2017)		Current consolidated fiscal year (April 1, 2017 - March 31, 2018)	
Net assets per share	541.03 yen	Net assets per share	578.76 yen
Profit per share	49.14 yen	Profit per share	40.20 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, 2016 - March 31, 2017)	Current consolidated fiscal year (April 1, 2017 - March 31, 2018)
Profit per share		
Profit attributable to owners of parent (million yen)	3,031	2,479
Amount not attributable to common stockholders (million yen)	-	-
Profit attributable to owners of parent pertaining to common stock (million yen)	3,031	2,479
Average number of common stock shares during the period (1,000 shares)	61,691	61,689

(Important post-balance sheet events)

No corresponding item exists.