

# [Summary] Consolidated Financial Results for the Fiscal Year ended March 31, 2016 (IFRS)

May 2, 2016

Listed Company Name: ITOCHU Techno-Solutions Corporation	Listing Exchanges: Tokyo Stock Exchange
Securities Code: 4739	URL: <a href="http://www.etc-g.co.jp/en/index.html">http://www.etc-g.co.jp/en/index.html</a>
Representative: Satoshi Kikuchi, President & CEO	
Contact: Masami Suzuki, General Manager, General Accounting & Financial Control Department	
Phone: +81-3-6203-5000	
Scheduled date of Annual General Meeting of Shareholders: June 22, 2016	
Scheduled date of dividend payment: June 23, 2016	
Scheduled date to submit the annual securities report ( <i>Yukashoken Hokokusho</i> ): June 23, 2016	
Supplementary documents for financial results: Yes	
Financial results briefing: Yes (for institutional investors and analysts)	

(Figures less than one Millions of yen are omitted)

## 1. Consolidated Business Results for the Fiscal Year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/16	391,606	2.5	27,942	(4.8)	27,942	(5.3)	18,138	2.8	18,018	3.5
Year ended 3/15	381,939	8.9	29,339	23.2	29,494	22.8	17,650	22.2	17,406	22.4

  

	Total comprehensive income for the year		Basic earnings per share for the year	Diluted earnings per share for the year	Ratio of profit to equity attributable to owners of the Company	Ratio of profit before tax to total assets	Ratio of operating income to revenue
	Millions of yen	%	Yen	Yen	%	%	%
Year ended 3/16	17,577	(1.9)	155.85	—	10.4	9.2	7.1
Year ended 3/15	17,917	19.8	148.79	—	10.5	10.1	7.7

(Reference) Share of profit (loss) of entities accounted for using equity method (Millions of yen): Year ended 3/16: 50    Year ended 3/15: 66

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of “Basic earnings per share” is calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of Company	Percentage of equity attributable to owners of the Company to total assets	Equity attributable to owners of the Company per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
Year ended 3/16	307,932	183,043	179,285	58.2	1,550.72
Year ended 3/15	302,734	172,907	168,876	55.8	1,460.66

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of “Equity attributable to owners of the Company per share” is calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

### (3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended 3/16	21,856	(18,185)	(8,422)	44,880
Year ended 3/15	25,830	(17,342)	(13,594)	50,146

## 2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the Company (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year end	Annual			
Year ended 3/15	Yen —	Yen 57.50	Yen —	Yen 62.50	Yen 120.00	Millions of yen 6,997	% 40.3	% 4.2
Year ended 3/16	—	32.50	—	37.50	70.00	8,092	44.9	4.6
Year ending 3/17 (forecast)	—	37.50	—	37.50	75.00		44.5	

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. For the fiscal years ended March 2015, the amounts of dividends before the stock split are recorded.

3. Forecast for Consolidated Business Results for the Fiscal Year ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent changes from the same period of previous fiscal year)

	Revenue		Operating income		Profit before tax		Profit for the year		Profit for the year attributable to owners of the Company		Basic earnings per share for the year (forecast)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	400,000	2.1	30,000	7.4	30,000	7.4	19,600	8.1	19,500	8.2	168.66

\* Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles and changes of accounting estimates

- |                                                        |                |
|--------------------------------------------------------|----------------|
| (i) Changes in accounting principles required by IFRS: | Not applicable |
| (ii) Changes in accounting principles other than (i):  | Not applicable |
| (iii) Changes in accounting estimates:                 | Not applicable |

(3) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury shares):

Year ended 3/16: 120,000,000 shares      Year ended 3/15: 120,000,000 shares

(ii) Number of treasury shares at the end of period:

Year ended 3/16: 4,385,750 shares      Year ended 3/15: 4,383,546 shares

(iii) Average number of shares during the period:

Year ended 3/16: 115,614,319 shares      Year ended 3/15: 116,989,442 shares

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. "Number of shares outstanding at the end of period (including treasury shares)," "Number of treasury shares at the end of period" and "Average number of shares during the period" are calculated on the assumption that the stock split had been carried out at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended 3/16	343,151	2.0	16,895	1.1	21,506	(12.5)	18,710	(15.2)
Year ended 3/15	336,487	10.2	16,705	30.7	24,568	32.9	22,064	75.5

	Earnings per share	Earnings per share/ diluted
	Yen	Yen
Year ended 3/16	161.84	—
Year ended 3/15	188.60	—

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Earnings per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Book-value per share
	Millions of yen	Millions of yen	%	Yen
Year ended 3/16	282,262	169,013	59.9	1,461.88
Year ended 3/15	278,475	157,657	56.6	1,363.63

(Reference) Shareholders' equity (Millions of yen): Year ended 3/16: 169,013      Year ended 3/15: 157,657

(Note) The Company conducted a two-for-one stock split for its common stock on April 1, 2015. The amount of "Book-value per share" is calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.

(Note) The financial figures presented in the Summary of Non-Consolidated Financial Results are prepared in accordance with the Japan GAAP.

\* This document is an English translation of a statement written initially in Japanese as a guide for non-Japanese investors. The Japanese original document should be considered as the primary version.

\* Disclosure regarding audit procedures

This summary of consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this summary of consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

\* Cautionary statement with respect to forward-looking statements

- These materials contain forward-looking statements and statements of this nature based on assumptions judged to be valid and information available to the Company as of the announcement date of the summary. These statements are not promises by the Company regarding future performance. Actual results may differ materially from forecasts due to a variety of factors.

## 4. Consolidated Financial Statements

## (1) Consolidated statement of financial position

	Previous consolidated fiscal year (As of March 31, 2015)	Consolidated fiscal year under review (As of March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Assets)		
Current assets		
Cash and cash equivalents	50,146	44,880
Trade and other receivables	109,568	111,118
Inventories	20,973	18,488
Current tax assets	27	8
Other current financial assets	15,200	20,025
Other current assets	31,327	34,492
Total current assets	227,245	229,013
Non-current assets		
Property, plant and equipment	34,780	35,514
Goodwill	4,660	4,245
Intangible assets	10,534	11,548
Investments accounted for using the equity method	621	635
Other non-current financial assets	10,749	14,490
Deferred tax assets	12,298	10,286
Other non-current assets	1,844	2,198
Total non-current assets	75,489	78,918
Total assets	302,734	307,932

	Previous consolidated fiscal year (As of March 31, 2015)	Consolidated fiscal year under review (As of March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
(Liabilities and Equity)		
Current liabilities		
Trade and other payables	49,691	47,202
Other current financial liabilities	6,869	6,179
Income taxes payable	8,604	6,312
Liabilities for employee benefits	14,786	14,061
Provisions	1,100	660
Other current liabilities	29,896	34,140
Total current liabilities	110,949	108,558
Non-current liabilities		
Non-current financial liabilities	12,236	10,207
Liabilities for employee benefits	4,259	3,973
Provisions	1,646	1,671
Deferred tax liabilities	724	474
Other non-current liabilities	11	3
Total non-current liabilities	18,878	16,329
Total liabilities	129,827	124,888
Equity		
Common stock	21,763	21,763
Capital surplus	33,076	33,076
Treasury stock	(9,225)	(9,231)
Retained earnings	121,530	132,677
Other components of equity	1,732	999
Total equity attributable to owners of the Company	168,876	179,285
Non-controlling interests	4,030	3,758
Total equity	172,907	183,043
Total liabilities and equity	302,734	307,932

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

## Consolidated income statement

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Consolidated fiscal year under review (From April 1, 2015 to March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Revenue	381,939	391,606
Cost of sales	(290,660)	(300,080)
Gross profit	91,279	91,526
Other income and expenses		
Selling, general and administrative expenses	(62,500)	(63,464)
Other income	1,225	450
Other expenses	(666)	(569)
Total other income and expenses	(61,940)	(63,583)
Operating income	29,339	27,942
Financial income	221	193
Financial costs	(157)	(243)
Share of profit of associated accounted for using the equity method	66	50
Gain on sales of shares of subsidiaries and associates	23	—
Profit before taxes	29,494	27,942
Income tax expense	(11,844)	(9,804)
Profit for the year	17,650	18,138
Profit for the year attributable to :		
Owners of the Company	17,406	18,018
Non-controlling interests	243	120
Earnings per share for the year (Attribution to the owners of the Company):	(yen)	(yen)
Basic earnings per share for the year	148.79	155.85
Diluted earnings per share for the year	—	—

## Consolidated comprehensive income

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Consolidated fiscal year under review (From April 1, 2015 to March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Profit for the year	17,650	18,138
Other comprehensive income, net of tax effect		
Items that will not be reclassified to profit or loss:		
Changes in net fair value of financial assets measured through other comprehensive income	17	114
Remeasurement of defined benefit plans	(363)	524
Share of other comprehensive income of associates accounted for using the equity method	0	(0)
Items that may be transferred to profit or loss:		
Exchange differences on translating foreign operations	568	(1,147)
Cash flow hedges	8	(30)
Share of other comprehensive income of associates accounted for using the equity method	34	(21)
Total other comprehensive income for the year, net of income tax	266	(560)
Total comprehensive income for the year	17,917	17,577
Total comprehensive income for the year attributable to:		
Owners of the Company	17,533	17,784
Non-controlling interests	383	(206)

## (3) Consolidated statement of changes in equity

(Millions of yen)

Items	Attributable to the owners of the Company						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2014	21,763	33,076	(4,223)	111,132	442	771	4
Profit for the year	—	—	—	17,406	—	—	—
Other comprehensive income for the year, net of tax effect	—	—	—	—	464	17	8
Total comprehensive income for the year	—	—	—	17,406	464	17	8
Payment of dividends	—	—	—	(6,622)	—	—	—
Purchase of treasury stock	—	—	(5,002)	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	(386)	—	22	—
Total transactions with owners	—	—	(5,002)	(7,008)	—	22	—
March 31, 2015	21,763	33,076	(9,225)	121,530	907	812	13

(Millions of yen)

Items	Attributable to the owners of the Company		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the Company		
	Remeasurement of defined benefit plans			
April 1, 2014	—	162,967	3,732	166,700
Profit for the year	—	17,406	243	17,650
Other comprehensive income for the year, net of tax effect	(363)	127	139	266
Total comprehensive income for the year	(363)	17,533	383	17,917
Payment of dividends	—	(6,622)	(85)	(6,708)
Purchase of treasury stock	—	(5,002)	—	(5,002)
Transfer to retained earnings from other components of equity	363	—	—	—
Total transactions with owners	363	(11,624)	(85)	(11,710)
March 31, 2015	—	168,876	4,030	172,907



(Millions of yen)

Items	Attributable to the owners of the Company						
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity		
					Exchange differences on translating foreign operations	Changes in net fair value of financial assets measured through other comprehensive income	Cash flow hedges
April 1, 2015	21,763	33,076	(9,225)	121,530	907	812	13
Profit for the year	—	—	—	18,018	—	—	—
Other comprehensive income for the year, net of tax effect	—	—	—	—	(842)	114	(30)
Total comprehensive income for the year	—	—	—	18,018	(842)	114	(30)
Payment of dividends	—	—	—	(7,370)	—	—	—
Purchase of treasury stock	—	—	(5)	—	—	—	—
Transfer to retained earnings from other components of equity	—	—	—	499	—	24	—
Total transactions with owners	—	—	(5)	(6,870)	—	24	—
March 31, 2016	21,763	33,076	(9,231)	132,677	64	950	(16)

(Millions of yen)

Items	Attributable to the owners of the Company		Non-controlling interests	Total equity
	Other components of equity	Total equity attributable to owners of the Company		
	Remeasurement of defined benefit plans			
April 1, 2015	—	168,876	4,030	172,907
Profit for the year	—	18,018	120	18,138
Other comprehensive income for the year, net of tax effect	524	(233)	(326)	(560)
Total comprehensive income for the year	524	17,784	(206)	17,577
Payment of dividends	—	(7,370)	(64)	(7,435)
Purchase of treasury stock	—	(5)	—	(5)
Transfer to retained earnings from other components of equity	(524)	—	—	—
Total transactions with owners	(524)	(7,376)	(64)	(7,441)
March 31, 2016	—	179,285	3,758	183,043

## (4) Consolidated cash flow statement

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Consolidated fiscal year under review (From April 1, 2015 to March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from operating activities		
Profit before tax	29,494	27,942
Adjustments for:		
Depreciation and amortization expense	8,202	8,442
Impairment losses	298	53
Interest and dividend income	(149)	(193)
Interest expenses	157	135
Share of profit of associates accounted for using the equity method	(66)	(50)
Gain on sales of shares of subsidiaries and associates	(23)	—
Increase in trade and other receivables	(9,466)	(3,850)
(Increase) decrease in inventories	2,685	2,350
Increase (decrease) in trade and other payables	4,596	(725)
Others - net	(238)	(1,220)
Subtotal	35,489	32,884
Interest and dividends received	195	178
Interest paid	(131)	(97)
Income taxes paid	(9,722)	(11,108)
Net cash provided by operating activities	25,830	21,856
Cash flows from investing activities		
Purchases of property, plant and equipment	(2,650)	(4,942)
Payments for retirement of property, plant and equipment	—	(159)
Proceeds from sales of property, plant and equipment	36	139
Purchases of intangible assets	(1,458)	(4,907)
Purchases of investment securities	(1)	(3,602)
Proceeds from sales of investment securities	28	—
Proceeds from dividend of investment partnership	190	171
Proceeds from sales of shares of subsidiaries and associates	925	—
Proceeds from Government grants	—	42
Decrease (increase) in deposits other than cash equivalents	(14,415)	(4,932)
Others – net	3	5
Net cash used in investing activities	(17,342)	(18,185)

	Previous consolidated fiscal year (From April 1, 2014 to March 31, 2015)	Consolidated fiscal year under review (From April 1, 2015 to March 31, 2016)
Items	Amount (Millions of yen)	Amount (Millions of yen)
Cash flows from financing activities		
Repayments of short-term borrowings	(870)	—
Proceeds from short-term borrowings	402	122
Purchase of treasury stock	(5,004)	(5)
Proceeds from sales and leaseback	1,569	1,625
Repayments of finance lease obligations	(2,982)	(2,728)
Dividends paid to owners of the Company	(6,623)	(7,371)
Dividends paid to non-controlling interests	(85)	(64)
Net cash used in financing activities	(13,594)	(8,422)
Effects of exchange rate changes on cash and cash equivalents	168	(514)
Net decrease in cash and cash equivalents	(4,937)	(5,266)
Cash and cash equivalents at the beginning of the year	55,083	50,146
Cash and cash equivalents at the end of the year	50,146	44,880