For the Fiscal Year Ended March 31, 2016

Annual Select® 2016

TOKYO KEIKI INC.

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(Securities Code: 7721)

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Corporate Profile

Established in 1896 as Japan's first manufacturer of measuring instruments, TOKYO KEIKI INC. had its start as a producer of pressure gauges. For 120 years, we have embraced the themes of world-class technology, quality that responds to the expectations of our customers and creation of new value in the development and manufacture of numerous new products that are reflective of the times and dramatic advances in technology.

TOKYO KEIKI INC. is comprised of the Marine Systems, Measurement Systems, Fluid Power & Control Systems, Inspection Systems, Electronics Systems, and Communication & Control Systems Companies. The products and services provided to customers by these six companies contribute to the enhancement of our society.

Navigational safety and energy savings of ships is greatly improved by the autopilots, radars, electronic chart display & information systems, and other products provided to the large and diverse maritime market by the Marine Systems Company. The Measurement Systems Company's highly regarded and proven ultrasonic flowmeter and its radar level gauge products are vital components in water and wastewater management systems and river monitoring disaster prevention systems. Addressing the themes of energy savings, environmental compatibility, and computerization, the Fluid Power & Control Systems Company provides a wide variety of hydraulic products for injection molding machinery and machine tools. The remote control of construction equipment enabled by the wireless control systems and other products manufactured by the Company factors greatly in the realization of unmanned construction and labor savings. Inspection equipment provided by the Inspection Systems Company is utilized by the printing industry to detect imperfections in printed material as well as problems in the printing process, issues that are critical for rigorous quality control. The Communication & Control Systems Company supplies microwave devices which are core components in wireless information equipment and power electronics. The Company also provides helicopter broadcasting systems that optimize television relay circuits and inertial sensors that are essential for attitude control of autonomous mobile robots and other applications. Advanced aerospace electronic equipment for the defense market and marine traffic systems for the Japan Coast Guard are among the products offered by the Electronics Systems Company.

I. Summary of Selected Financial Data (Consolidated)

	81st fiscal year From April 1, 2011 to March 31, 2012	82nd fiscal year From April 1, 2012 to March 31, 2013	83rd fiscal year From April 1, 2013 to March 31, 2014	84th fiscal year From April 1, 2014 to March 31, 2015	85th fiscal year From April 1, 2015 to March 31, 2016
Net sales (Million yen)	41,055	40,217	46,016	43,371	43,439
Ordinary income (Million yen)	2,190	1,944	3,980	3,132	1,979
Profit attributable to owners of parent (Million yen)	1,314	1,360	2,381	2,311	1,252
Comprehensive income (Million yen)	1,367	1,581	2,671	3,545	(356)
Net assets (Million yen)	19,997	21,319	24,047	27,332	26,419
Total assets (Million yen)	45,986	47,314	50,147	51,435	50,747
Net assets per share (Yen)	235.19	251.21	283.10	323.21	314.11
Basic earnings per share (Yen)	15.58	16.20	28.37	27.64	15.05
Fully diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	42.92	44.56	47.38	52.53	51.35
Return on equity (ROE) (%)	6.82	6.66	10.62	9.10	4.72
Price earnings ratio (PER) (Times)	11.69	11.54	10.61	9.63	10.83
Net cash provided by (used in) operating activities (Million yen)	(108)	2,110	355	2,568	4,703
Net cash provided by (used in) investing activities (Million yen)	(263)	(679)	(1,142)	(1,102)	(1,781)
Net cash provided by (used in) financing activities (Million yen)	(1,300)	352	(195)	(501)	(1,542)
Cash and cash equivalents at end of period (Million yen)	8,713	10,515	9,574	10,579	11,955
Number of employees [Separately, average number of temporary employees] (Persons)	1,364 [362]	1,371 [364]	1,440 [372]	1,443 [388]	1,446 [398]

Notes:
1. Net sales do not include consumption taxes.
2. Fully diluted earnings per share is not described since no dilutive shares exist.
3. The Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and related standards, and changed the presentation of "net income" to "profit attributable to owners of parent" from the fiscal year ended March 31, 2016.

(Source: Annual Securities Report)

II. To Our Stakeholders

Kenichi WAKI
President

I would like to preface my comments in this annual report by extending my sincerest appreciation for your patronage of TOKYO KEIKI.

With regard to the Japanese economy in fiscal 2015 (ended March 31, 2016), a gradual recovery phase persisted through the second quarter, but the economy stalled in the third quarter. Sluggish exports and production caused real GDP growth to drop by 0.3% compared with the same quarter of the preceding year (a 1.1% decline on an annualized basis), decreasing for the first time in two quarters. In addition, corporate earnings declined, due to such factors as an economic slowdown in China and other emerging markets, falling resource prices, the reduced impact of yen depreciation and other factors. In the Bank of Japan's Tankan (Short-Term Economic Survey of Enterprises in Japan), conducted in March 2016 and announced in April, the business condition judgment diffusion index for large enterprises (manufacturing) was down a substantial 6 percentage points compared with the December 2015 survey.

Under these economic conditions, the Group's consolidated net sales for fiscal 2015 were 6.0% below our forecast at the start of the fiscal year. Profits were also significantly lower than our forecasts, with operating income, which shows the earnings of the Company's core operations, lower by 31.1%, ordinary income by 27.8% and profit attributable to owners of parent by 32.3%. However, performance was higher than the forecast figures announced during our downward revision in February 2016, with net sales edging up 0.6% and profits improving: 25.1% for operating income, 22.9% for ordinary income and 25.2% for profit attributable to owners of parent. Compared with fiscal 2014 (ended March 31, 2015), net sales were up a slight 0.2%, while profit dropped significantly, with operating income falling by 35.5%, ordinary income by 36.8%, and profit attributable to owners of parent by 45.8%.

Consolidated net sales for the fiscal year under review rose ¥0.07 billion year on year, to ¥43.44 billion. The Marine Systems Business was affected by a decrease in new shipbuilding demand in overseas markets for commercial ships, as well as a growing number of cancellations and delayed deliveries. The Hydraulics and Pneumatics Business saw decreases in demand in the plastic processing machinery market for applications in automobile-related facilities and molding machines in overseas markets, whereas public-sector demand in the Fluid Measurement Equipment Business was robust. In the Defense and Communications Equipment Business, public-sector demand saw an upsurge in repair work and parts sales related to the Maritime Self-Defense Force, as well as the delivery of VTS (Vessel Traffic Services) management systems for Japan Coast Guard's Honmoku Vessel Traffic Signal Station. Regarding consolidated profits, operating income declined ¥1.04 billion to ¥1.89 billion; ordinary income fell ¥1.15 billion to ¥1.98 billion and profit attributable to owners of parent decreased ¥1.06 billion to ¥1.26 billion, affected by a 1.5-percentage-point deterioration in the cost of sales ratio and higher selling, general and administrative expenses.

Net cash provided by operating activities totaled ¥4.70 billion, an increase of ¥2.13 billion compared with the previous fiscal year. The main sources of cash were a ¥2.47 billion decrease in notes and accounts receivable–trade, profit before income taxes of ¥1.95 billion, and depreciation of ¥0.89 billion. The main uses of cash were decreases of ¥0.31 billion in notes and accounts payable–trade and ¥0.24 billion in net defined benefit liability, income taxes paid of ¥0.20 billion, and a ¥0.42 billion decrease in other assets. Cash and cash equivalents at the end of the fiscal year under review totaled ¥11.96 billion, up ¥1.38 billion from the end of the previous fiscal year. The main factors behind the increase of ¥1.38 billion from the ¥10.58 billion at the start of the fiscal year were net cash provided by operating activities of ¥4.70 billion, net cash used in investment activities of ¥1.78 billion, mainly due to acquisitions of non-current assets, and net cash used in financing activities of ¥1.54 billion, mainly for repayments of long-term loans payable and cash dividends paid.

Shareholders' equity decreased ¥0.96 billion (3.6%) compared with the end of the previous fiscal year to ¥26.06 billion, despite a ¥0.88 billion rise in retained earnings, due to a ¥1.67 billion decrease in accumulated other comprehensive income as the lackluster stock market caused remeasurements of defined benefit plans and the valuation difference on available-for-sale securities to decline. However, total assets decreased only ¥0.69 billion (1.3%) to ¥50.75 billion compared with the end of the previous fiscal year. As a result, the equity ratio deteriorated only slightly, falling by 1.2 percentage points from 52.5% at the end of the previous fiscal year to 51.3%. Return on equity (ROE) deteriorated sharply, falling 4.4 percentage points from 9.1% at the previous fiscal year to 4.7%, below the 8.0% target. However, at 7.6%, average ROE for the past five fiscal years (6.8% for fiscal 2011, 6.7% for fiscal 2012, 10.6% for fiscal 2013, 9.1% for fiscal 2014, and 4.7% for fiscal 2015) was only slightly below the 8.0% target. Despite the major decline in profits, we expect to award a dividend of ¥5 per share for the fiscal year under review, adding a 120th year commemorative dividend of ¥1 to the ordinary dividend of ¥4. (This figure equates to a dividend payout ratio of 33.2%, or a total payout ratio of 39.8% including the acquisition of 335,000 shares of treasury stock). The company has ten consolidated subsidiaries. TOKYO KEIKI PRECISION TECHNOLOGY CO., LTD., suffered a loss due to such factors as production adjustments stemming from a delayed expansion of sales routes for solenoid valves by the Fluid Power & Control Systems Company, but the nine other companies all made profits. TOKYO KEIKI AVIATION INC., which is engaged in the EMC business of electromagnetically shielded panels for medical and industrial applications, posted record net sales. TOKYO KEIKI RAIL TECHNO INC. experienced favorable sales of rail flaw detection vehicles, as well as related equipment, and sales and profit both increased at TOKYO KEIKI CUSTOMER SERVICE INC., which experienced solid sales of marine components. As a result, in their total non-consolidated results, the subsidiaries recorded a ¥0.57 billion increase in net sales year on year, and a ¥0.03 billion rise in profit.

In fiscal 2016 (ending March 31, 2017), we expect the Japanese economy to experience a gradual recovery amid ongoing improvements in the employment and income environment and due to the impact of various government measures. However, the IMF (International Monetary Fund) has expressed its view of ongoing risks of a downturn in the global economy and revised its growth forecast downward by a further 0.2 percentage point from its January 2016 forecast, to 3.2%. As I alluded to at the beginning of these remarks, there was a significant decline in the Bank of Japan's Tankan, due to a business slowdown centering on the manufacturing sector, stemming from a slowdown in emerging markets and accelerating yen appreciation. Given this situation, in fiscal 2016 we expect net sales to large enterprises in the manufacturing sector to decrease by 0.6% compared with fiscal 2015, and forecast a 1.9% year-on-year decline in ordinary income. That being said, the Bank of Japan's Tankan assumed an exchange rate of ¥117 to the U.S. dollar, and concern exists that further yen appreciation could put downward pressure on earnings, particularly for exporting companies.

Operating in economic conditions that are characterized by opaqueness and make forecasting difficult, for fiscal 2016 the Group projects a ¥1.66 billion (3.8%) year-on-year increase in consolidated net sales, to ¥45.1 billion. We expect the Defense and Communications Equipment Business to post lower sales as it enters a lean period, but we anticipate higher sales from our other segments. We forecast an increase in selling, general and administrative expenses as we accelerate our global development and push ahead with research and development in the pursuit of growth. Capital expenditure for new product development is also likely to increase. Consequently, we forecast decreases of ¥0.34 billion (17.9%) in operating income, to ¥1.55 billion; of ¥0.34 billion (17.1%) in ordinary income, to ¥1.64 billion; and of ¥0.21 billion (16.9%) in profit attributable to owners of parent, to ¥1.04 billion. While projecting higher sales and lower profit for fiscal 2016 than for fiscal 2015, we will focus on improving top- and bottom-line gains and pursue capital efficiency, undaunted by our ongoing measures to strengthen risk management. Furthermore, we forecast a dividend of ¥4 per share for fiscal 2016.

In fiscal 2015, we set targets for consolidated net sales of at least ¥57.0 billion and an operating margin of at least 8%, and we have been working on "strengthening existing businesses," as well as "promoting globalization" and "expanding business areas." Specifically, we have taken steps to ensure the company-based organizational structure introduced in April 2013 is well established. We have been allocating the Group's limited business resources into optimum areas through timely and well-targeted investment, working to further strengthen the unified control structure for each internal company and enhance our international competitiveness by stepping up efforts to launch new products, expand markets, develop new customers, reinforce sales channels, upgrade our service support network, and reduce manufacturing costs, among others. In this way, we have responded rapidly and flexibly to changes in the operating environment and customer needs. Concurrently, we have undertaken group-wide optimization by integrating technologies, products, sales channels and other assets of our companies in addressing issues important to society and customers. We have also promoted the development of new markets and establishment of new businesses unconstrained by a compartmentalized structure. Although we have seen some successes in "strengthening existing businesses," such as in increasing efficiency, with regard to "promoting globalization" our efforts are being hindered by the external environment, particularly the impact of economic slowdowns in China and other countries, hampering the cultivation of overseas markets in the Hydraulics and Pneumatics Business and the Fluid Measurement Equipment Business. In terms of "expanding business areas," we have experienced delays in the development and launch of new products in the Defense and Communications Equipment Business. These are the main reasons we fell short of our targets. We have analyzed the reasons for these shortfalls and reflected the results of our analysis in our three-year medium-term management plan implemented in fiscal 2016 (ending March 31, 2017). In fiscal 2017 (ending March 31, 2018), we plan to attain the objectives that were unreached in fiscal 2015 (ended March 31, 2016). With regard to our delayed cultivation of overseas markets, we will engage consultants to accelerate our market research activities and appoint strong local distributors and agents. In this manner, we will promote globalization by creating a framework based on "salability"—building sales routes and expanding service networks—rather than the traditional approach to "selling." We will address our delays in the launch and development of new products not only by shortening development times but also by responding to such challenges as an increasingly stringent competitive environment and soaring R&D expenses by stepping beyond closed innovation, which relies solely on internal resources. Instead, we will embrace open innovation, involving alliances with universities and other companies, to speed new product development, take the lead over competitors in bringing them to market and expanding our business domains.

The Group has few growth businesses and a great number of mature businesses and is focused mainly on development of new products that “improve” on existing technologies and on strengthening existing businesses by “improving” on conventional business models. However, on its own, the development of new products based on the “improvement” of existing technologies and the strengthening of existing businesses through the “improvement” of conventional business models will not generate sufficient profit and cash flow for allocation to items for promoting growth, such as research on new technologies, development of new products, increasing productivity, improving overseas bases, developing human resources, strengthening the organization, and supplementing business resources. This approach is therefore insufficient to fulfill our responsibility to our shareholders, who have entrusted us with management, as well as our responsibilities to our stakeholders, including customers, employees, business partners, and a wide range of others. Also, even if existing technologies and conventional business models continue to improve, new value generated on the basis of innovative and disruptive technologies and business models could make recent technology improvements and business models obsolete, and the business itself could disappear. Therefore, rather than seeing the future as an extension of the past, we recognize anew that conventional industry structures must be replaced with new ones. The Group must not only strive constantly to “improve” on its many and various technologies and business models, but to “transform” them without being constrained by the ideas of the past or caught up on the structures of the past. We must address not only the issues that customers face today, but also their needs five and ten years down the track. In other words, we will achieve both “present value” and “future value” by realizing innovative and original new products based on progressive technologies, and realize sustainable growth by continuing to develop new businesses with high growth and profitability and create new business models. In doing so, we will raise our corporate value over the medium to long term, and meet the expectations and demands of our various stakeholders.

On behalf of the senior management and workforce at TOKYO KEIKI, I would like to close by asking all investors for your ongoing support and cooperation.

Kenichi WAKI
President & CEO

III. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	10,592	11,968
Notes and accounts receivable - trade	14,770	13,018
Electronically recorded monetary claims - operating	1,929	1,215
Merchandise and finished goods	1,668	1,493
Work in process	5,446	5,726
Raw materials and supplies	4,660	4,336
Deferred tax assets	745	825
Accounts receivable - other	325	206
Other	296	751
Allowance for doubtful accounts	(2)	(3)
Total current assets	40,430	39,534
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,765	12,994
Accumulated depreciation	(11,084)	(11,103)
Buildings and structures, net	1,681	1,891
Machinery, equipment and vehicles	14,513	14,658
Accumulated depreciation	(13,196)	(12,841)
Machinery, equipment and vehicles, net	1,317	1,817
Tools, furniture and fixtures	10,252	10,187
Accumulated depreciation	(9,619)	(9,539)
Tools, furniture and fixtures, net	634	649
Land	1,912	1,873
Leased assets	94	–
Accumulated depreciation	(84)	–
Leased assets, net	9	–
Construction in progress	597	940
Total property, plant and equipment	6,150	7,170
Intangible assets		
Software	29	16
Other	31	2
Total intangible assets	59	18
Investments and other assets		
Investment securities	3,486	2,881
Deferred tax assets	56	462
Guarantee deposits	608	590
Net defined benefit asset	547	–
Other	151	166
Allowance for doubtful accounts	(54)	(74)
Total investments and other assets	4,796	4,025
Total non-current assets	11,006	11,213
Total assets	51,435	50,747

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,999	5,684
Short-term loans payable	8,758	8,640
Accounts payable - other	555	814
Income taxes payable	96	472
Provision for bonuses	1,040	1,073
Other	1,768	1,965
Total current liabilities	18,217	18,648
Non-current liabilities		
Long-term loans payable	4,195	3,370
Provision for directors' retirement benefits	253	255
Asset retirement obligations	792	788
Deferred tax liabilities	244	–
Net defined benefit liability	401	1,267
Other	1	1
Total non-current liabilities	5,886	5,681
Total liabilities	24,103	24,328
Net assets		
Shareholders' equity		
Capital stock	7,218	7,218
Capital surplus	14	14
Retained earnings	17,965	18,841
Treasury shares	(280)	(450)
Total shareholders' equity	24,916	25,622
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,208	710
Foreign currency translation adjustment	136	96
Remeasurements of defined benefit plans	760	(370)
Total accumulated other comprehensive income	2,105	436
Non-controlling interests	312	360
Total net assets	27,332	26,419
Total liabilities and net assets	51,435	50,747

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	43,371	43,439
Cost of sales	31,405	32,093
Gross profit	11,966	11,346
Selling, general and administrative expenses	9,035	9,457
Operating income	2,931	1,889
Non-operating income		
Interest income	7	7
Dividend income	62	65
Dividend income of life insurance	37	38
Rent income on facilities	9	9
Share of profit of entities accounted for using equity method	100	50
Foreign exchange gains	41	–
Other	64	73
Total non-operating income	322	243
Non-operating expenses		
Interest expenses	94	82
Rent expenses on facilities	16	16
Foreign exchange losses	–	28
Provision of allowance for doubtful accounts	–	20
Other	11	8
Total non-operating expenses	121	154
Ordinary income	3,132	1,979
Extraordinary income		
Gain on sales of non-current assets	1	–
Total extraordinary income	1	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	14	9
Loss on valuation of investment securities	–	3
Impairment loss	–	13
Total extraordinary losses	14	25
Profit before income taxes	3,119	1,954
Income taxes - current	569	647
Income taxes - deferred	200	(4)
Total income taxes	769	642
Profit	2,350	1,312
Profit attributable to non-controlling interests	39	60
Profit attributable to owners of parent	2,311	1,252

Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	2,350	1,312
Other comprehensive income		
Valuation difference on available-for-sale securities	659	(498)
Foreign currency translation adjustment	99	(41)
Remeasurements of defined benefit plans, net of tax	434	(1,130)
Share of other comprehensive income of entities accounted for using equity method	2	1
Total other comprehensive income	1,195	(1,668)
Comprehensive income	3,545	(356)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,506	(416)
Comprehensive income attributable to non-controlling interests	39	60

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2015

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,218	14	15,827	(194)	22,864
Cumulative effects of changes in accounting policies			204		204
Restated balance	7,218	14	16,031	(194)	23,068
Changes of items during period					
Dividends of surplus			(378)		(378)
Profit attributable to owners of parent			2,311		2,311
Purchase of treasury shares				(86)	(86)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,934	(86)	1,847
Balance at end of current period	7,218	14	17,965	(280)	24,916

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	549	35	310	894	289	24,047
Cumulative effects of changes in accounting policies						204
Restated balance	549	35	310	894	289	24,251
Changes of items during period						
Dividends of surplus						(378)
Profit attributable to owners of parent						2,311
Purchase of treasury shares						(86)
Net changes of items other than shareholders' equity	659	101	450	1,211	23	1,234
Total changes of items during period	659	101	450	1,211	23	3,081
Balance at end of current period	1,208	136	760	2,105	312	27,332

Fiscal year ended March 31, 2016

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,218	14	17,965	(280)	24,916
Cumulative effects of changes in accounting policies					–
Restated balance	7,218	14	17,965	(280)	24,916
Changes of items during period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			1,252		1,252
Purchase of treasury shares				(169)	(169)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	876	(169)	707
Balance at end of current period	7,218	14	18,841	(450)	25,622

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,208	136	760	2,105	312	27,332
Cumulative effects of changes in accounting policies						–
Restated balance	1,208	136	760	2,105	312	27,332
Changes of items during period						
Dividends of surplus						(376)
Profit attributable to owners of parent						1,252
Purchase of treasury shares						(169)
Net changes of items other than shareholders' equity	(498)	(41)	(1,130)	(1,668)	48	(1,620)
Total changes of items during period	(498)	(41)	(1,130)	(1,668)	48	(913)
Balance at end of current period	710	96	(370)	436	360	26,419

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	3,119	1,954
Depreciation	866	894
Impairment loss	–	13
Amortization of guarantee deposits	12	12
Increase (decrease) in allowance for doubtful accounts	(1)	22
Increase (decrease) in provision for bonuses	(31)	33
Increase (decrease) in provision for directors' retirement benefits	(44)	2
Interest and dividend income	(70)	(72)
Increase (decrease) in net defined benefit liability	(1,034)	(239)
Interest expenses	94	82
Share of (profit) loss of entities accounted for using equity method	(100)	(50)
Loss (gain) on valuation of investment securities	–	3
Loss (gain) on sales and retirement of non-current assets	13	9
Decrease (increase) in notes and accounts receivable - trade	2,411	2,465
Decrease (increase) in inventories	(1,087)	220
Increase (decrease) in notes and accounts payable - trade	109	(314)
Decrease (increase) in other assets	(173)	(416)
Increase (decrease) in other liabilities	(141)	299
Other, net	15	11
Subtotal	3,959	4,927
Interest and dividend income received	74	74
Interest expenses paid	(110)	(94)
Income taxes paid	(1,354)	(205)
Net cash provided by (used in) operating activities	2,568	4,703
Cash flows from investing activities		
Payments into time deposits	(14)	–
Purchase of investment securities	(6)	(107)
Proceeds from sales of investment securities	0	1
Purchase of non-current assets	(1,117)	(1,708)
Proceeds from sales of non-current assets	1	30
Collection of loans receivable	2	–
Payments for lease and guarantee deposits	(4)	(2)
Proceeds from collection of lease and guarantee deposits	5	9
Other, net	30	(3)
Net cash provided by (used in) investing activities	(1,102)	(1,781)

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Proceeds from long-term loans payable	1,750	–
Repayments of long-term loans payable	(1,691)	(944)
Repayments of lease obligations	(80)	(41)
Purchase of treasury shares	(86)	(169)
Cash dividends paid	(378)	(376)
Dividends paid to non-controlling interests	(16)	(12)
Net cash provided by (used in) financing activities	(501)	(1,542)
Effect of exchange rate change on cash and cash equivalents	39	(5)
Net increase (decrease) in cash and cash equivalents	1,004	1,376
Cash and cash equivalents at beginning of period	9,574	10,579
Cash and cash equivalents at end of period	10,579	11,955

IV. Company Information / Stock Information

Company Information (as of March 31, 2016)

Trade name:	TOKYO KEIKI INC.
Date of establishment:	May 1896
Listing date:	May 1949
Business year:	From April 1 to March 31
Paid-in capital:	¥7,218 million
Number of employees:	1,446 (excluding those seconded out of the Group and including those seconded into the Group) (Consolidated)
Head office:	2-16-46 Minami-Kamata, Ohta-ku, Tokyo
Telephone:	+81-3-3732-2111
Consolidated subsidiaries:	TOKYO KEIKI AVIATION INC. TOKYO KEIKI CUSTOMER SERVICE INC. TOKYO KEIKI POWER SYSTEMS INC. TOKYO KEIKI INFORMATION SYSTEMS INC. TOKYO KEIKI TECHNOPORT INC. TOKYO KEIKI RAIL TECHNO INC. MOCOS JAPAN CO., LTD. TOKYO KEIKI U.S.A., INC. TOKYO KEIKI (SHANGHAI) CO., LTD TOKYO KEIKI PRECISION TECHNOLOGY CO., LTD.

Directors, Audit and Supervisory Committee Members (as of June 30, 2016)

President	Kenichi WAKI
Executive Director	Hidemitsu YAMADA
Executive Director	Yukitoshi ATSUMI
Director	Tsuyoshi ANDO
Director	Makoto TSUCHIYA
Director*	Shuzo NOMURA
Director, Audit & Supervisory Committee Member	Hiroshi YOKOYAMA
Director, Audit & Supervisory Committee Member*	Hiroshi SASA
Director, Audit & Supervisory Committee Member*	Ryotaro KUGIMIYA

* Outside Director

Stock Status (as of March 31, 2016)

Total number of authorized shares:	250,000,000 shares
Total number of shares issued:	85,382,196 shares
Number of shareholders:	7,674

Major shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (%)
Japan Trustee Services Bank, Ltd.	4,997	5.85
TOKYO KEIKI ASSOCIATION	4,725	5.53
Sumitomo Mitsui Banking Corporation	4,133	4.84
TOKYO KEIKI TRADING-PARTNER SHAREHOLDING ASSOCIATION	2,821	3.30
TOKYO KEIKI EMPLOYEE SHAREHOLDING ASSOCIATION	2,749	3.22
Nippon Life Insurance Company	2,351	2.75
The Bank of Yokohama, Ltd.	2,329	2.73
Mitsubishi UFJ Trust and Banking Corporation	2,117	2.48
Aioi Nissay Dowa Insurance Co., Ltd.	1,894	2.22
Masayoshi Yamauchi	1,813	2.12

(Source: Annual Securities Report)