



Financial Results Summary for the Second Quarter of the Fiscal Year Ending March 31, 2016 [Japan GAAP] (Consolidated)

October 30, 2015

Company Name Tabuchi Electric Co., Ltd. Exchange listed on: Tokyo Stock Exchange
 Securities code 6624 URL <http://www.zbr.co.jp>
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 Scheduled date for submission of quarterly report: November 12, 2015 Scheduled commencement date of dividends payment: December 4, 2015
 Preparation of supplementary materials for quarterly reports : Yes
 Convening quarterly results briefing : Yes (For institutional investors and analysts)
 (Amounts rounded down to the nearest millions of yen)

1. Consolidated Financial Results for the second quarter of the fiscal year ending March 31, 2016 (From April 1, 2015 to September 30, 2015)

(1) Consolidated Quarterly Operating Results (Cumulative) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders	
	million yen	%	million yen	%	million yen	%	million yen	%
Second quarter of the fiscal year ending March 31, 2016	21,336	(17.4)	3,614	(37.9)	3,622	(38.3)	2,478	(33.1)
Second quarter of the fiscal year ended March 31, 2015	25,830	27.3	5,817	155.5	5,866	162.0	3,704	91.2

(Note) Comprehensive income: Second quarter of the fiscal year ending March 31, 2016 ¥1,954 million (-53.7%)
 Second quarter of the fiscal year ended March 31, 2015 ¥4,224 million (+95.3%)

	Net income per share	Net income per share - fully diluted
	yen	yen
Second quarter of the fiscal year ending March 31, 2016	61.32	-
Second quarter of the fiscal year ended March 31, 2015	91.65	-

(2) Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	million yen	million yen	%
Second quarter of the fiscal year ending March 31, 2016	35,401	16,292	46.0
Fiscal year ended March 31, 2015	37,802	14,661	38.8

(Reference) Shareholders' equity: Second quarter of the fiscal year ending March 31, 2016 ¥16,292 million
 Fiscal year ended March 31, 2015 ¥14,661 million

2. Dividends

	Annual dividends				
	End of 1Q	End of 2Q	End of 3Q	End of the year	Total
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2015	-	5.00	-	8.00	13.00
Fiscal year ending March 31, 2016	-	8.00	-	-	-
Fiscal year ending March 31, 2016 (forecast)	-	-	-	8.00	16.00

(Note) Modification of the dividends forecast released most recently : None

3. Consolidated Operating Results Forecast for the fiscal year ending March 31, 2016
(From April 1, 2015 to March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to parent company shareholders		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	50,000	(6.2)	7,500	(32.2)	7,500	(34.8)	5,000	(35.0)	123.71

(Note) Modification of the consolidated results forecast released most recently : Yes

* Notes

- (1) Major changes in subsidiaries during the first six months of the fiscal year ending March 31, 2016 : None
(Changes in specified subsidiaries resulting in a change in the scope of consolidation)
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements : None
- (3) Changes in accounting policies or estimates and retrospective restatements
- 1) Changes in accounting policies in line with revisions in accounting standards : Yes
- 2) Changes in accounting policies other than item 1) above : None
- 3) Changes in accounting estimates : None
- 4) Retrospective restatements : None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Second quarter of the fiscal year ending March 31, 2016	40,502,649shares	Fiscal year ended March 31, 2015	40,502,649shares
2) Number of shares of treasury stock at the end of the period	Second quarter of the fiscal year ending March 31, 2016	84,811shares	Fiscal year ended March 31, 2015	84,811shares
3) Average number of shares issued during the first six months	Second quarter of the fiscal year ending March 31, 2016	40,417,838shares	Second quarter of the fiscal year ended March 31, 2015	40,420,842shares

* Indication of quarterly review procedure implementation status

The quarterly review procedure based on the Financial Instruments and Exchange Act has not been completed as of the time of disclosure of this Quarterly Financial Results Summary.

* Explanation for appropriate use of operating results forecasts, other special notes

The operating results forecasts are prepared based on the information available as of the date of the announcement of the material and the actual results may differ from forecasts due to various factors.

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1. Qualitative Information Concerning Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016

(1) Business Results

Looking at the global economy in the first six months of the fiscal year ending March 31, 2016, economic slowdowns became more evident in China and other emerging countries. In the U.S., non-manufacturing industries were strong although exports in the manufacturing industry were sluggish. The European economy was on a moderate recovery trend against the backdrop of the depreciating euro, but signs of uncertainty began to appear as exports weakened. Meanwhile, the Japanese economy maintained a gradual recovery trend, supported in part by the effects of measures implemented by the government to boost the economy.

Under such circumstances, the Tabuchi Electric Group promoted diversification of PV solar inverters to expand business into peripheral segments and responded to changes in the market environment. Specifically, we began selling hybrid inverters designed for PV arrays and storage batteries by using storage cells to respond better to the balance of demand and supply of power. We also sold products with the output control function installed in all models from those used for residential housing to those for mega solar systems. We have begun distributing these products not only in Japan but also globally in North America, ASEAN, etc. where markets are expected to grow going forward.

Meanwhile, we have also been working to further enhance our research and development structures in Japan and abroad and build a multi-layer marketing system. We have also been exerting ceaseless efforts to improve our plants through promoting automation throughout the company, pursuing cost reduction activities and enhancing our quality assurance system. In addition, we pursued M&A activities to strengthen our technological skills in priority business segments and to promote entry into the European market.

In the first six months of the fiscal year ending March 31, 2016, sales of PV solar inverters decreased as the domestic market retreated due to an impact caused by the revision of the feed-in-tariff system for renewable energy. As a result, net sales were 21,336 million yen (down 17.4% year on year), operating income was 3,614 million yen (down 37.9% year on year), ordinary income was 3,622 million yen (down 38.3% year on year) and net income attributable to parent company shareholders was 2,478 million yen (down 33.1% year on year).

Operating results by segment for the first six months of the fiscal year ending March 31, 2016 are as follows:

(i) Transformer Business

In the transformers business, sales of reactors for air-conditioners decreased. Consequently, net sales were 4,339 million yen (down 7.8% year on year) and operating income was 444 million yen (down 24.2% year on year).

(ii) Power Supply Business

In the power supplies business, sales of PV solar inverters decreased although the sales of power sources for amusement applications increased. As a result, net sales were 16,996 million yen (down 19.5% year on year) and operating income was 3,559 million yen (down 33.2% year on year).

(2) Financial Position

At the end of the second quarter of the fiscal year ending March 31, 2016, total assets came to 35,401 million yen, a decrease of 2,401 million yen from the end of the previous fiscal year. This was primarily due to a decrease in notes and accounts receivable - trade of 6,578 million yen, an increase in inventories of 2,165 million yen and an increase in cash and deposits of 1,221 million yen.

Liabilities amounted to 19,108 million yen, down 4,033 million yen from the end of the previous fiscal year. This was mainly due to a decrease in income taxes payable of 2,672 million yen and a decrease in interest-bearing debt of 646 million yen.

Net assets were 16,292 million yen, up 1,631 million yen from the end of the previous fiscal year. This was mainly due to the recording of net income attributable to parent company shareholders of 2,478 million yen.

(3) Consolidated Operating Results Forecasts and Future Prospects

The consolidated operating results forecasts for the fiscal year ending March 31, 2016 announced on May 13, 2015 have been amended as indicated in this material and in the Notice on Amendments to Operating Results Forecasts publicized today. For details, please refer to the Notice on Amendments to Operating Results Forecasts.

- Full-Year Consolidated Operating Results Forecasts

Net sales	50,000 million yen (down 6.2% year on year)
Operating income	7,500 million yen (down 32.2% year on year)
Ordinary income	7,500 million yen (down 34.8% year on year)
Net income attributable to parent company shareholders	5,000 million yen (down 35.0% year on year)

The revised forecasts assume a foreign exchange rate of 120 yen to the U.S. dollar in the second half of the fiscal year.

2. Matters Concerning Summary Information (Notes)

- (1) Major changes in subsidiaries during the first six months of the fiscal year ending March 31, 2016
Not applicable.
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements
Not applicable.
- (3) Changes in accounting policies or estimates and retrospective restatements
(Changes in accounting policies)

Effective the first quarter of the fiscal year ending March 31, 2016, the Company has adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013) and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013), etc. Accordingly, the Company has changed the relevant accounting method to record the difference arising from any change in equity of the Company in subsidiaries over which the Company continues to retain control to capital surplus and the acquisition-related costs to expenses in the fiscal year which they arise. In regard to business combinations to be implemented at the beginning of the first quarter of the fiscal year ending March 31, 2016 and thereafter, the Company has changed to the method of reflecting the revision of acquisition cost distribution amount determined based on temporary accounting on the quarterly consolidated financial statements of the quarter in which the respective business combination falls in. In addition, the Company changed the presentation of net income, etc. In order to reflect this change, account reclassifications were made in the quarterly consolidated financial statements and the consolidated financial statements for the first six months of the previous fiscal year and for the previous fiscal year.

The application of the Accounting Standard for Business Combinations, etc. is in accordance with the transitional treatment provided for in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures and is applied from the beginning of the first quarter of the fiscal year ending March 31, 2016 and thereon.

The impact of this change on the quarterly consolidated financial statements is minimal.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (March 31, 2015)	Second quarter of the current fiscal year (September 30, 2015)
Assets		
Current assets		
Cash and deposits	6,868	8,089
Notes and accounts receivable - trade	11,185	7,485
Electronically recorded monetary claims - operating	4,223	1,345
Merchandise and finished goods	2,440	4,353
Work in process	520	484
Raw materials and supplies	2,268	2,558
Other	1,530	1,427
Allowance for doubtful accounts	(3)	(3)
Total current assets	29,034	25,740
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	3,380	3,793
Other, net	2,818	3,191
Total property, plant and equipment	6,198	6,985
Intangible assets	374	642
Investments and other assets		
Investment securities	1,651	1,553
Other	542	478
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	2,192	2,031
Total non-current assets	8,765	9,659
Deferred assets	2	1
Total assets	37,802	35,401

(Millions of yen)

	Previous fiscal year (March 31, 2015)	Second quarter of the current fiscal year (September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,545	5,086
Electronically recorded obligations - operating	2,540	2,751
Short-term loans payable	924	872
Current portion of bonds	60	60
Current portion of long-term loans payable	907	846
Lease obligations	198	167
Income taxes payable	3,471	799
Provision for bonuses	372	389
Provision for directors' bonuses	79	-
Provision for product warranties	791	512
Other	2,880	2,272
Total current liabilities	17,770	13,758
Non-current liabilities		
Bonds payable	150	120
Long-term loans payable	1,604	1,208
Lease obligations	251	174
Net defined benefit liability	844	808
Long-term unearned revenue	2,289	2,817
Other	231	220
Total non-current liabilities	5,371	5,349
Total liabilities	23,141	19,108
Net assets		
Shareholders' equity		
Capital stock	3,611	3,611
Retained earnings	10,777	12,932
Treasury shares	(21)	(21)
Total shareholders' equity	14,367	16,522
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(11)	(71)
Deferred gains or losses on hedges	40	9
Foreign currency translation adjustment	360	(78)
Remeasurements of defined benefit plans	(95)	(88)
Total accumulated other comprehensive income	293	(229)
Total net assets	14,661	16,292
Total liabilities and net assets	37,802	35,401

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income
First six months of the current fiscal year

(Millions of yen)

	First six months of the previous fiscal year (From April 1, 2014 to September 30, 2014)	First six months of the current fiscal year (From April 1, 2015 to September 30, 2015)
Net sales	25,830	21,336
Cost of sales	17,359	14,588
Gross profit	8,471	6,747
Selling, general and administrative expenses	2,653	3,133
Operating income	5,817	3,614
Non-operating income		
Interest income	1	3
Dividend income	4	4
Foreign exchange gains	67	15
Share of profit of entities accounted for using equity method	51	24
Other	40	12
Total non-operating income	165	60
Non-operating expenses		
Interest expenses	51	35
Loss on derivatives	23	4
Other	41	11
Total non-operating expenses	116	52
Ordinary income	5,866	3,622
Extraordinary income		
Subsidy income	165	-
Gain on sales of non-current assets	1	6
Total extraordinary income	166	6
Extraordinary losses		
Impairment loss	51	-
Loss on sales and retirement of non-current assets	4	3
Total extraordinary losses	55	3
Income (loss) before income taxes and minority interests	5,977	3,625
Income taxes - current	2,219	833
Income taxes - deferred	(35)	314
Total income taxes	2,183	1,147
Net income	3,793	2,478
Net income attributable to non-controlling shareholders	88	-
Net income attributable to parent company shareholders	3,704	2,478

Quarterly Consolidated Statement of Comprehensive Income
 First six months of the current fiscal year

(Millions of yen)

	First six months of the previous fiscal year (From April 1, 2014 to September 30, 2014)	First six months of the current fiscal year (From April 1, 2015 to September 30, 2015)
Net income	3,793	2,478
Other comprehensive income		
Valuation difference on available-for-sale securities	6	(59)
Deferred gains or losses on hedges	120	(31)
Foreign currency translation adjustment	241	(354)
Remeasurements of defined benefit plans, net of tax	2	6
Share of other comprehensive income of entities accounted for using equity method	59	(85)
Total other comprehensive income	430	(523)
Comprehensive income	4,224	1,954
(Breakdown)		
Comprehensive income attributable to parent company shareholders	4,115	1,954
Comprehensive income attributable to non-controlling shareholders	108	-

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of the previous fiscal year (From April 1, 2014 to September 30, 2014)	First six months of the current fiscal year (From April 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	5,977	3,625
Depreciation	565	724
Impairment loss	51	-
Increase (decrease) in allowance for doubtful accounts	2	(0)
Increase (decrease) in provision for product warranties	189	(278)
Increase (decrease) in net defined benefit liability	38	(19)
Subsidy income	(165)	-
Interest and dividend income	(5)	(7)
Interest expenses	51	35
Share of (profit) loss of entities accounted for using equity method	(51)	(24)
Loss (gain) on sales and retirement of property, plant and equipment	3	(3)
Decrease (increase) in notes and accounts receivable - trade	(2,622)	6,492
Decrease (increase) in inventories	(1,386)	(2,295)
Increase (decrease) in notes and accounts payable - trade	2,323	(105)
Increase (decrease) in long-term unearned revenue	828	528
Other	22	(897)
Subtotal	5,823	7,774
Interest and dividend income received	5	7
Interest expenses paid	(49)	(35)
Proceeds from subsidy income	165	-
Income taxes paid	(1,409)	(3,488)
Cash flows from operating activities	4,535	4,259
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,315)	(1,724)
Proceeds from sales of property, plant and equipment	1	18
Purchase of intangible assets	(22)	(307)
Purchase of investment securities	-	(24)
Proceeds from sales of investment securities	-	39
Purchase of shares of subsidiaries and associates	(316)	-
Other	(1)	(14)
Cash flows from investing activities	(1,654)	(2,013)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(152)	(46)
Proceeds from long-term loans payable	1,309	-
Repayments of long-term loans payable	(914)	(459)
Redemption of bonds	(80)	(30)
Cash dividends paid	(282)	(323)
Repayments of finance lease obligations	(95)	(107)
Cash dividends paid to non-controlling shareholders	(24)	-
Other	(5)	-
Cash flows from financing activities	(245)	(966)
Effect of exchange rate change on cash and cash equivalents	93	(58)
Net increase (decrease) in cash and cash equivalents	2,729	1,221
Cash and cash equivalents at the beginning of the period	2,296	6,868
Cash and cash equivalents at the end of the period	5,025	8,089

- (4) Notes to Quarterly Consolidated Financial Statements
(Notes Relating to Going Concern Assumption)
Not applicable.

(Notes on Any Significant Change in Shareholders' Equity)
Not applicable.

(Segment Information)

I First six months of the previous fiscal year (From April 1, 2014 to September 30, 2014)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Amount on Quarterly Consolidated Statement of Income (Note 2)
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	4,706	21,124	25,830	-	25,830
Intersegment net sales or transfers	2,057	-	2,057	(2,057)	-
Total	6,764	21,124	27,888	(2,057)	25,830
Segment income	586	5,326	5,912	(95)	5,817

- (Notes) 1. Adjustment of -95 million yen to segment income is all-company expenses that are not distributed to each reportable segment.
All-company expenses are primarily research and development expenses that do not belong to reportable segments.
2. Segment income is adjusted with operating income on the Quarterly Consolidated Statement of Income.

II First six months of the current fiscal year (From April 1, 2015 to September 30, 2015)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment			Adjustments (Note 1)	Amount on Quarterly Consolidated Statement of Income (Note 2)
	Transformer Business	Power Supply Business	Total		
Net sales					
Net sales to outside customers	4,339	16,996	21,336	-	21,336
Intersegment net sales or transfers	1,799	-	1,799	(1,799)	-
Total	6,138	16,996	23,135	(1,799)	21,336
Segment income	444	3,559	4,003	(389)	3,614

- (Notes) 1. Adjustment of -389 million yen to segment income is all-company expenses that are not distributed to each reportable segment.
All-company expenses are primarily research and development expenses that do not belong to reportable segments.
2. Segment income is adjusted with operating income on the Quarterly Consolidated Statement of Income.