

# Summary of Financial Statement Fiscal Year 2015

May 11<sup>th</sup>, 2016

**TABUCHI ELECTRIC CO., LTD (Security code:6624)**

*Global Power-Solution Company*



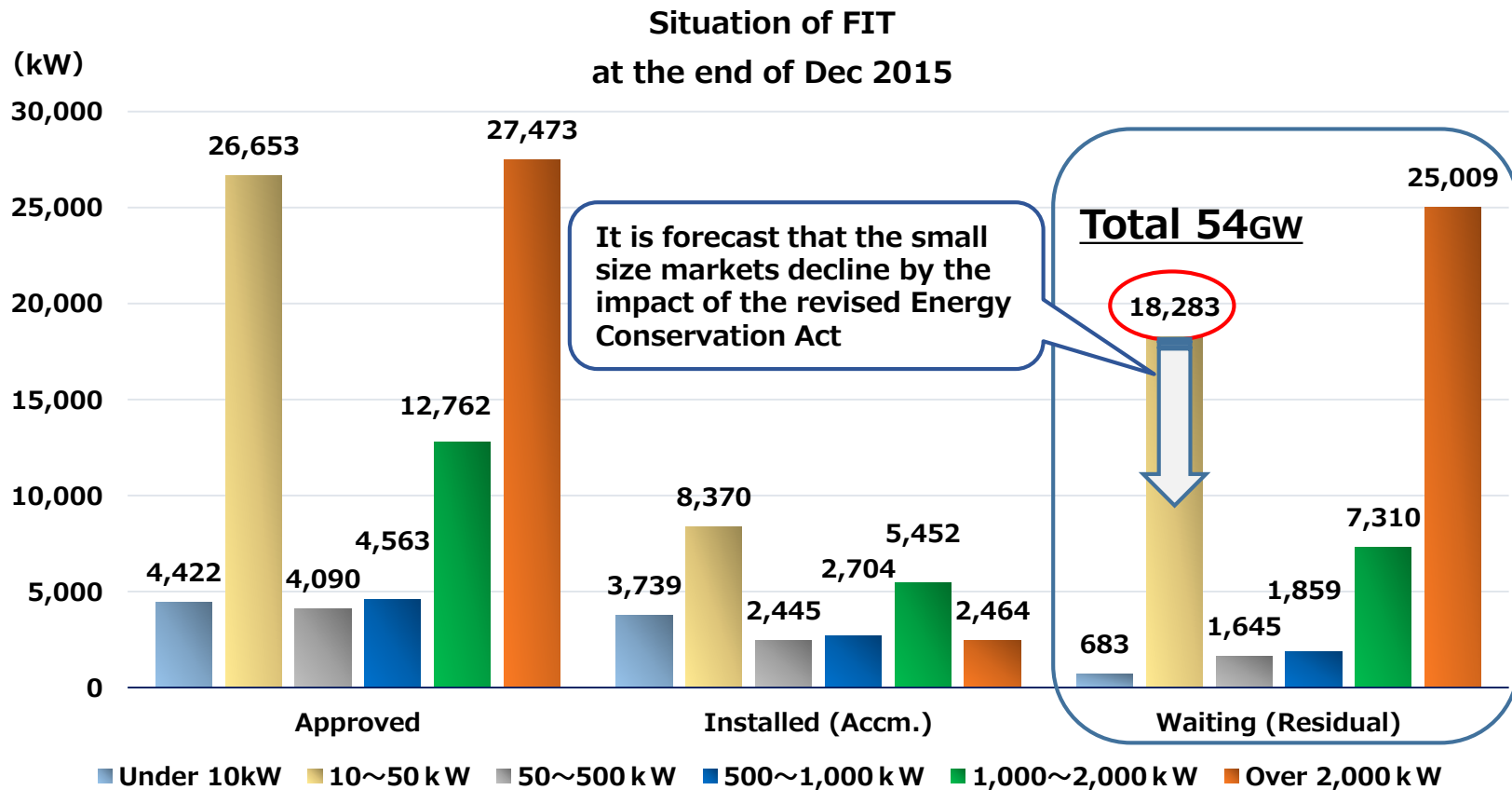
# **FY2015**

# **Result Overview**

- ***26.6% of sales decline and 55.6% of operating profit decrease from FY2014***
- ***(Power Supply) Rapid shrink of Japanese PV market brought our inverter sales slump, and the delay of North America expansion also led the segment's profit decrease***
- ***(Transformer Business) Expanded product lineups and sales channel to Europe by two M&A slightly increased sales. However, R&D expense increase made profit down***
- ***Yearly dividend amount shall be 16JPY/share as initially planned***

# FY2015 Japanese PV Market

- *Installed appx. total 9 gw in Japan FY2015*
- *Small size markets (10~50kw) fell down rapidly*
- *Large size markets like mega-solar steadily performed*



\* Arranged from METI's

# Consolidated Operating Result

Unit:MJPY

	FY2014	FY2015		Difference	Ratio
		Forecast	Actual		
<b>Sales</b>	<b>53,299</b>	<b>42,000</b>	<b>39,103</b>	<b>▲14,196</b>	<b>▲26.6%</b>
<b>Operating Profit</b>	<b>11,061</b>	<b>5,500</b>	<b>4,916</b>	<b>▲6,145</b>	<b>▲55.6%</b>
<b>Current Profit</b>	<b>11,506</b>	<b>5,500</b>	<b>4,704</b>	<b>▲6,801</b>	<b>▲59.1%</b>
<b>Net Profit</b>	<b>7,695</b>	<b>3,700</b>	<b>3,181</b>	<b>▲4,514</b>	<b>▲58.7%</b>

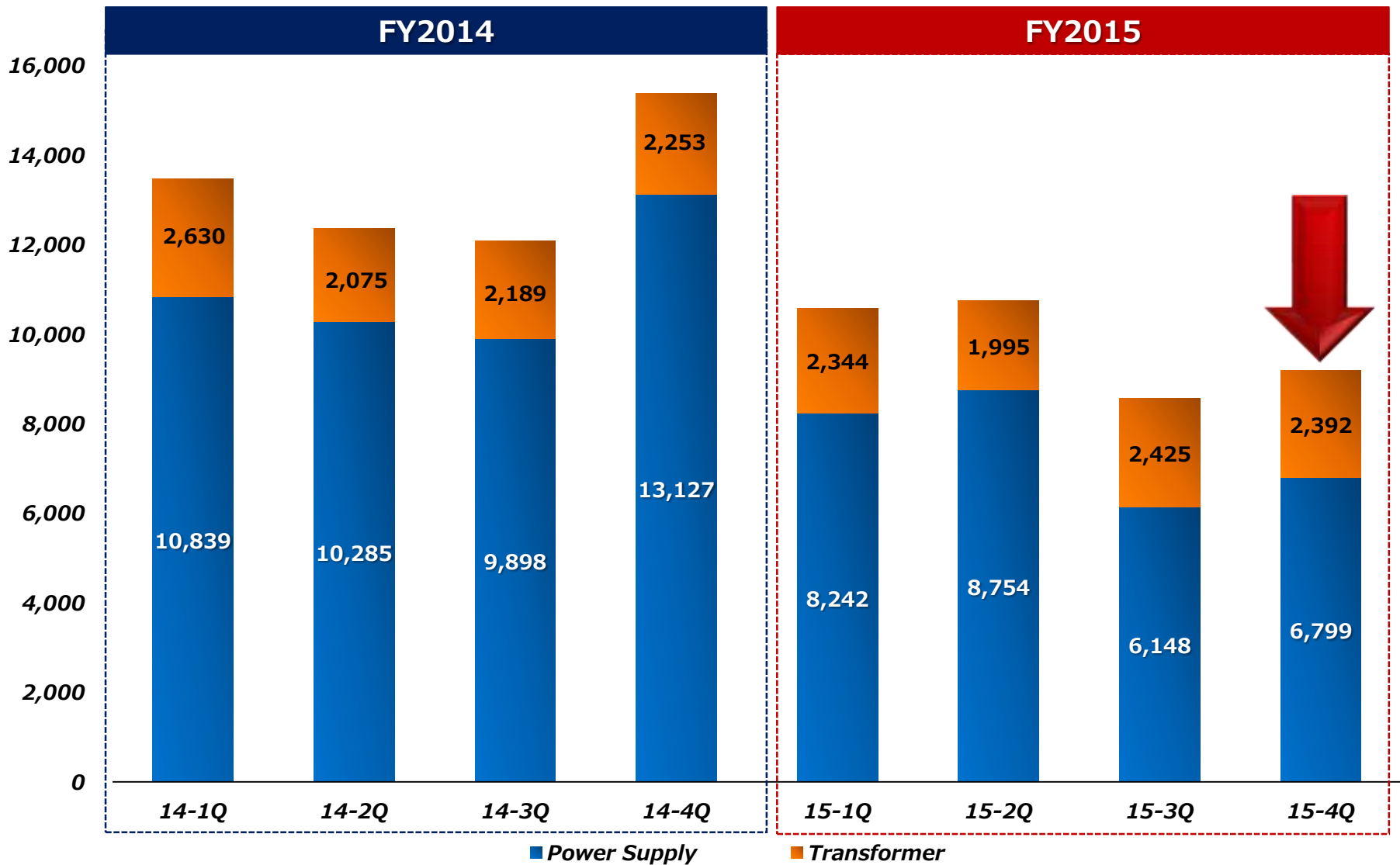
# Operating Result by Segment

Unit:MJPY

	<i>FY2014</i>		<i>FY2015</i>		<i>Difference</i>	
	<i>Sales</i>	<i>Operating Profit</i>	<i>Sales</i>	<i>Operating Profit</i>	<i>Sales</i>	<i>Operating Profit</i>
<i>Power Supply</i>	<b>44,150</b>	<b>10,334</b>	<b>29,945</b>	<b>5,029</b>	<b>▲14,205</b>	<b>▲5,304</b>
<i>Transformer</i>	<b>9,148</b>	<b>928</b>	<b>9,158</b>	<b>680</b>	<b>+9</b>	<b>▲247</b>
<i>Adj.</i>	<b>-</b>	<b>▲200</b>	<b>-</b>	<b>▲793</b>	<b>-</b>	<b>▲592</b>
<i>Total</i>	<b>53,299</b>	<b>11,061</b>	<b>39,103</b>	<b>4,916</b>	<b>▲14,195</b>	<b>▲6,145</b>

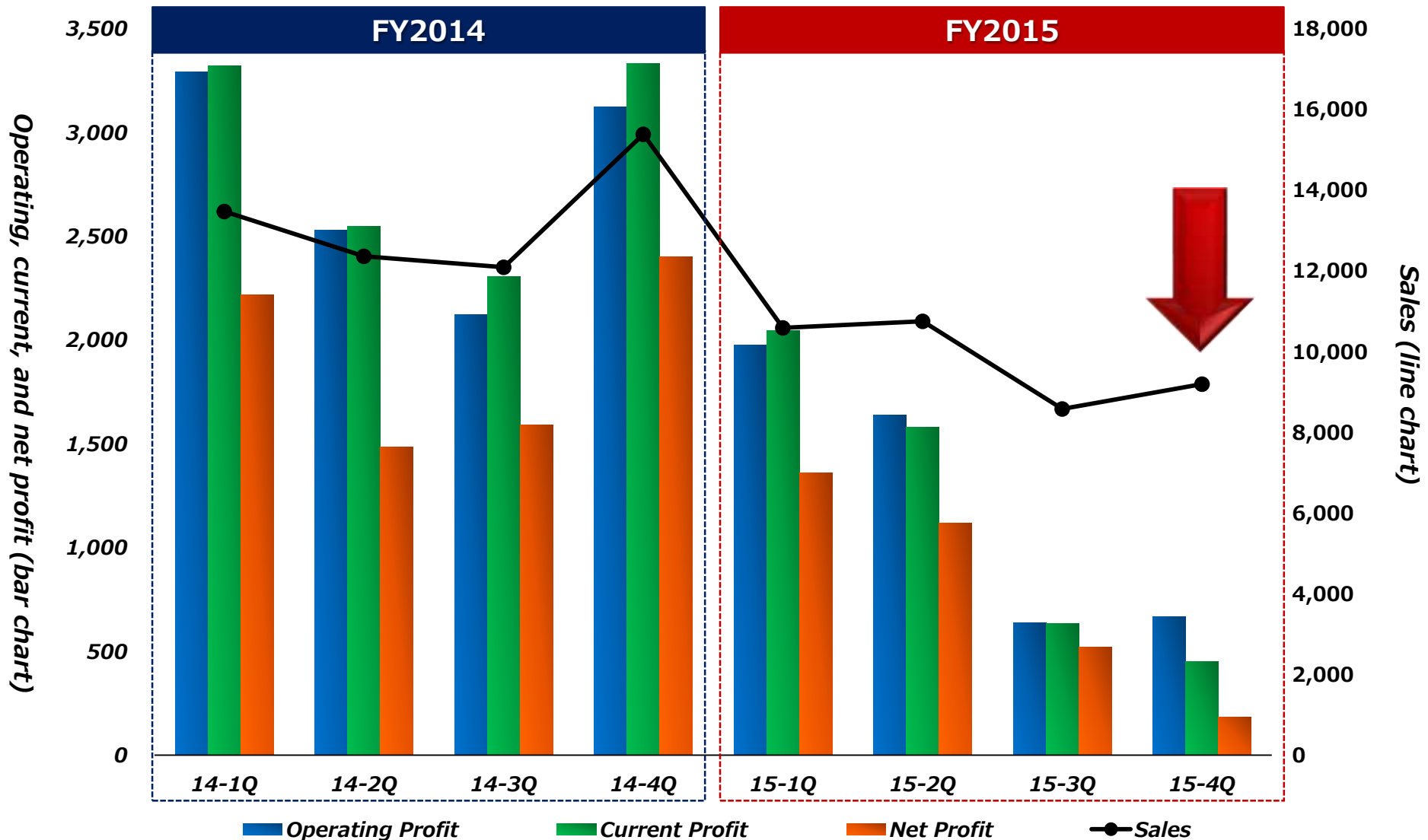
# Quarterly Sales Trend by Segment

Unit: MJPY



# Quarterly Operating Trend

Unit: MJPY

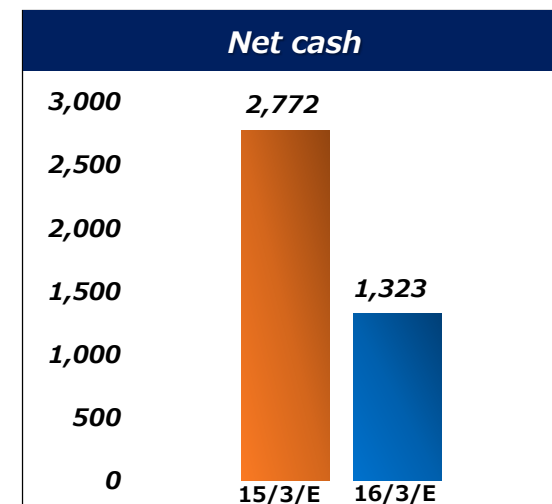
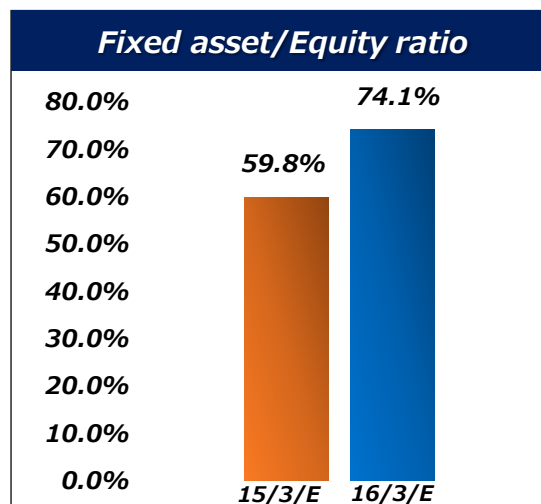
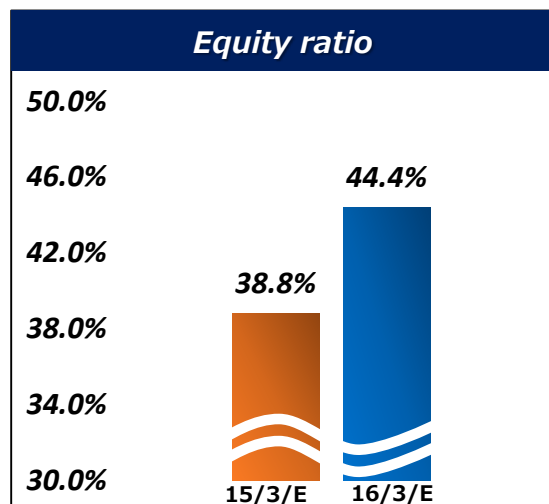




# Consolidated Financial Position

Unit: MJPY

	15/3/E	16/3/E		15/3/E	16/3/E
<i>Cash &amp; EQV.</i>	<b>6,868</b>	<b>5,737</b>	<i>Acc. Payables</i>	<b>8,085</b>	<b>7,425</b>
<i>Acc. Receivables</i>	<b>15,408</b>	<b>6,882</b>	<i>Short-term debt</i>	<b>2,090</b>	<b>2,938</b>
<i>Inventories</i>	<b>5,229</b>	<b>9,659</b>	<i>Others (current)</i>	<b>7,594</b>	<b>4,010</b>
<i>Others (current)</i>	<b>1,527</b>	<b>2,408</b>	<i>Long-term debt</i>	<b>2,006</b>	<b>1,475</b>
<i>Fixed asset</i>	<b>8,765</b>	<b>12,133</b>	<i>Others (NC)</i>	<b>3,365</b>	<b>4,610</b>
<i>Deferred asset</i>	<b>2</b>	<b>1</b>	<i>Equity</i>	<b>14,661</b>	<b>16,363</b>
<b>Total</b>	<b>37,802</b>	<b>36,823</b>	<b>Total</b>	<b>37,802</b>	<b>36,823</b>



# Consolidate Cash Flow

Unit: MJPY

	<i>FY2014</i>	<i>FY2015</i>	<i>Difference</i>
<i>CF by operating activities</i>	<b>8,726</b>	<b>3,771</b>	<b>▲4,954</b>
<i>CF by investing activities</i>	<b>▲2,566</b>	<b>▲3,683</b>	<b>▲1,117</b>
<i>Free cash flow</i>	<b>6,160</b>	<b>87</b>	<b>▲6,072</b>
<i>CF by financial activities</i>	<b>▲1,815</b>	<b>▲1,061</b>	<b>+754</b>
<i>Exchange adj.</i>	<b>227</b>	<b>▲157</b>	<b>▲385</b>
<i>Net cash flow</i>	<b>4,572</b>	<b>▲1,130</b>	<b>-</b>
<i>Cash &amp; EQV. at BOY</i>	<b>2,296</b>	<b>6,868</b>	<b>-</b>
<i>Cash &amp; EQV. at EOY</i>	<b>6,868</b>	<b>5,737</b>	<b>▲1,130</b>

# **FY2016 Forecast**

- *It is forecasted that the revised FIT's price impact make continuous shrink of Japanese PV market.*

*On the other hand, stable over 500kw size market and the projects proceeding shall steadily continue also in FY2016.*

*The market competitive environment will get harder by domestic and overseas competitors, however, we strengthen our competence by cost improvement, large capacity product lineups enhancement, and service reinforcement.*

- *Global market, especially in USA, demand for renewable energy introduction and smart energy management by battery is forecasted to grow stably and strongly.*

*We expand business in this field with solar+battery hybrid inverter system and three-phase inverter for mega-solar and industrial use.*

## Global

- *Accelerate global business expansion, mainly in USA, to Middle and South America, and Asia*

## Large Capacity

- *Reinforce product lineups of Three-phase solar inverter for like Mega-solar and industrial use*

## Solution Business

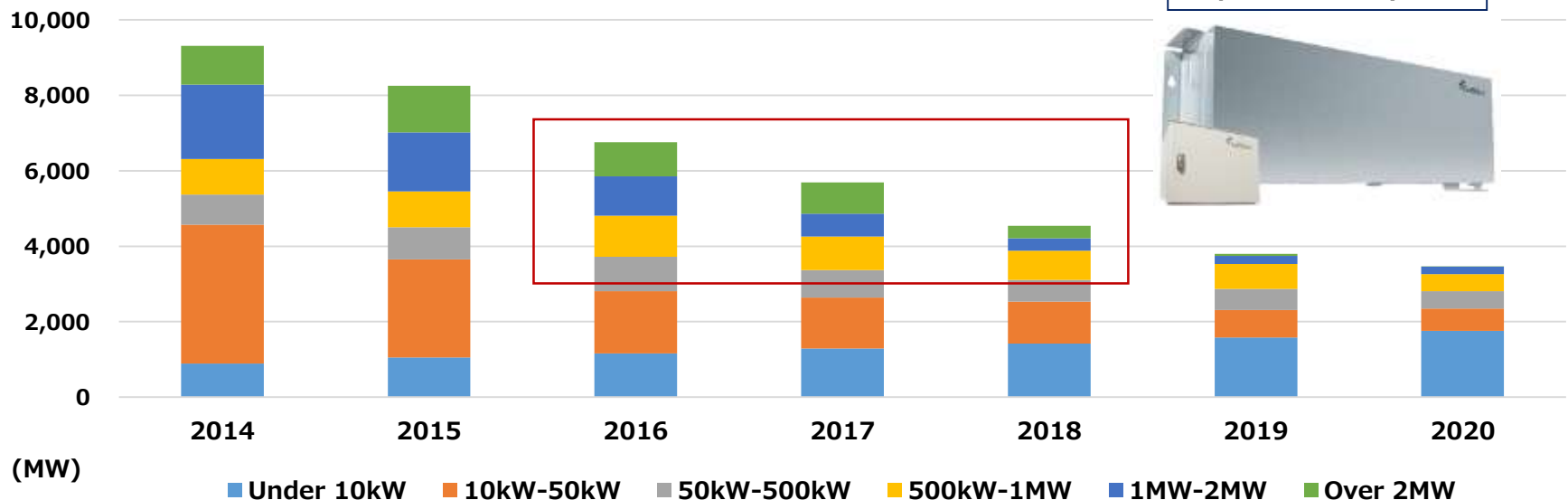
- *Launch energy management business with strongly utilized combination of battery and ICT*

# Japanese PV market

-Global model introduction in the domestic market-  
*The market shrink as total, however, over 500kW size market will continuously and steadily perform for 2 or 3 years.*

*Additionally, against central inverters, string inverters' are growing that we take initiative in this field by ①lineups reinforcement, ②service enhancement, ③O&M business launch.*

*Furthermore, our hybrid system sales expansion is projected.*



(\*from RTS)

## ***ITC extension***

***It is a forecast that ITC extension passed on December 2015 should bring stable and powerful growth for the long term, expected by 2020, hitting 100 gigawatts (GW), that represents 3.5 percent of U.S. electricity generation.***

## ***Battery demand***

***Demand charges are increasing across USA, it is said to make up appx. 30% to 70% of total electricity costs for commercial and industrial users, there is strong demand for peak-cut/shift by smart battery systems.***



***Reinforce lineups of three-phase inverters and hybrid inverters, and foster business growth in North America as our main field***

## Two M&A project executed in 2Q of FY2015

(De) Marschner Tabuchi Electric

(JP) Tecno Electric Industry



*Sales channel to  
EU market*



*Specialized  
electro-magnetic  
technology*



***Maximize synergy to expand business in “Industrial Application”,  
“Healthcare/Medical Equipment”, and “Automotive Business”***



# <Forecast> Consolidated Income

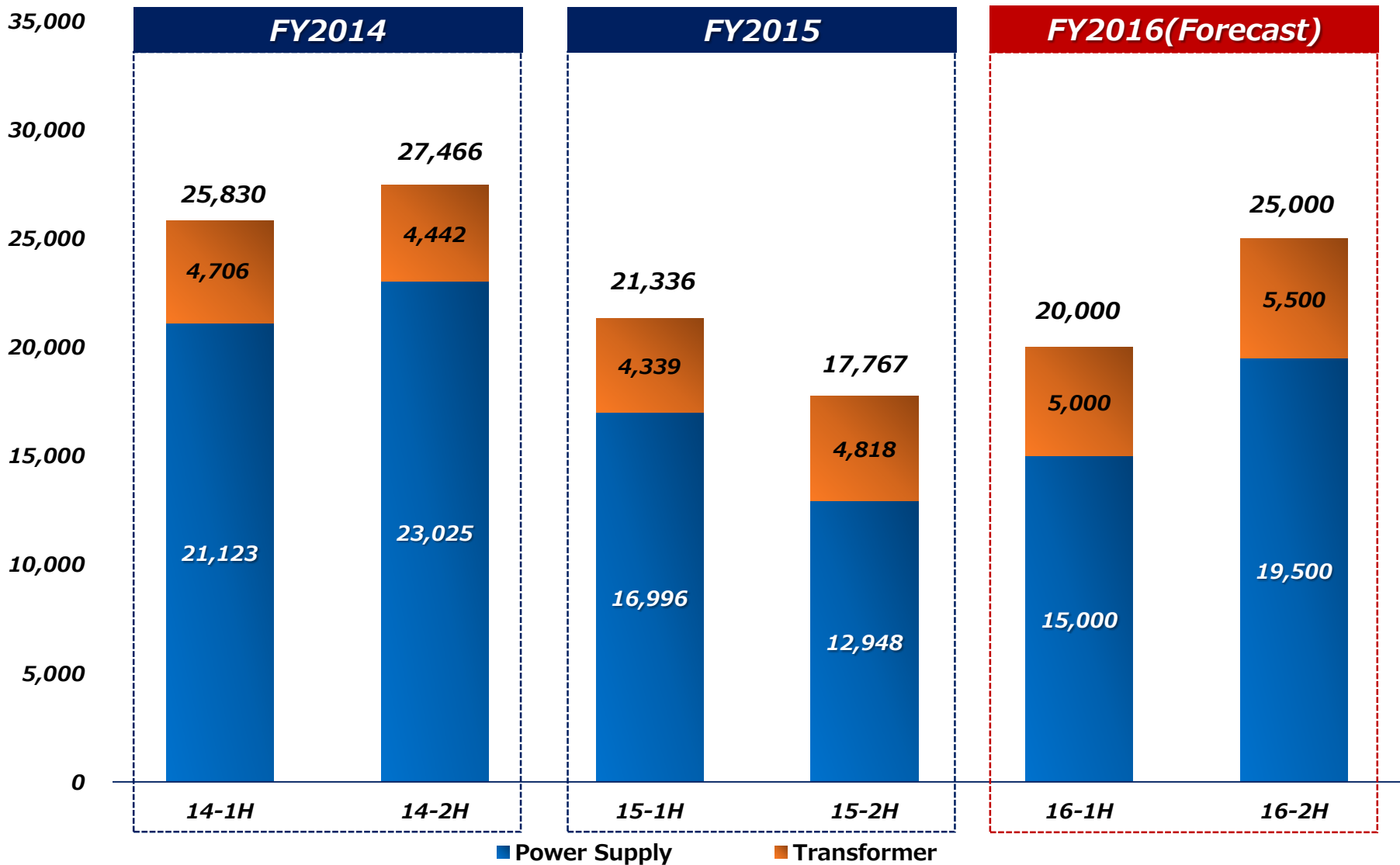
Unit: MJPY

	<i><b>FY2015</b></i>	<i><b>First Half</b></i>	<i><b>FY2016 Latter Half</b></i>	<i><b>Yearly</b></i>
<i><b>Sales</b></i>	<b>39,103</b>	<b>20,000</b>	<b>25,000</b>	<b>45,000</b>
<i><b>Operating Profit</b></i>	<b>4,916</b>	<b>1,000</b>	<b>3,000</b>	<b>4,000</b>
<i><b>Operating Profit ratio</b></i>	<b>12.6%</b>	<b>5.0%</b>	<b>12.0%</b>	<b>8.9%</b>
<i><b>Current Profit</b></i>	<b>4,704</b>	<b>900</b>	<b>2,900</b>	<b>3,800</b>
<i><b>Net Profit</b></i>	<b>3,181</b>	<b>600</b>	<b>1,900</b>	<b>2,500</b>
<i><b>Dividend</b></i>	<i><b>Yearly 16JPY</b></i>	<i><b>At-half 8JPY</b></i>	<i><b>Year-end 8JPY</b></i>	<i><b>Yearly 16JPY</b></i>

*\*Foreign exchange rate for FY2016's forecast: 1USD=110JPY*

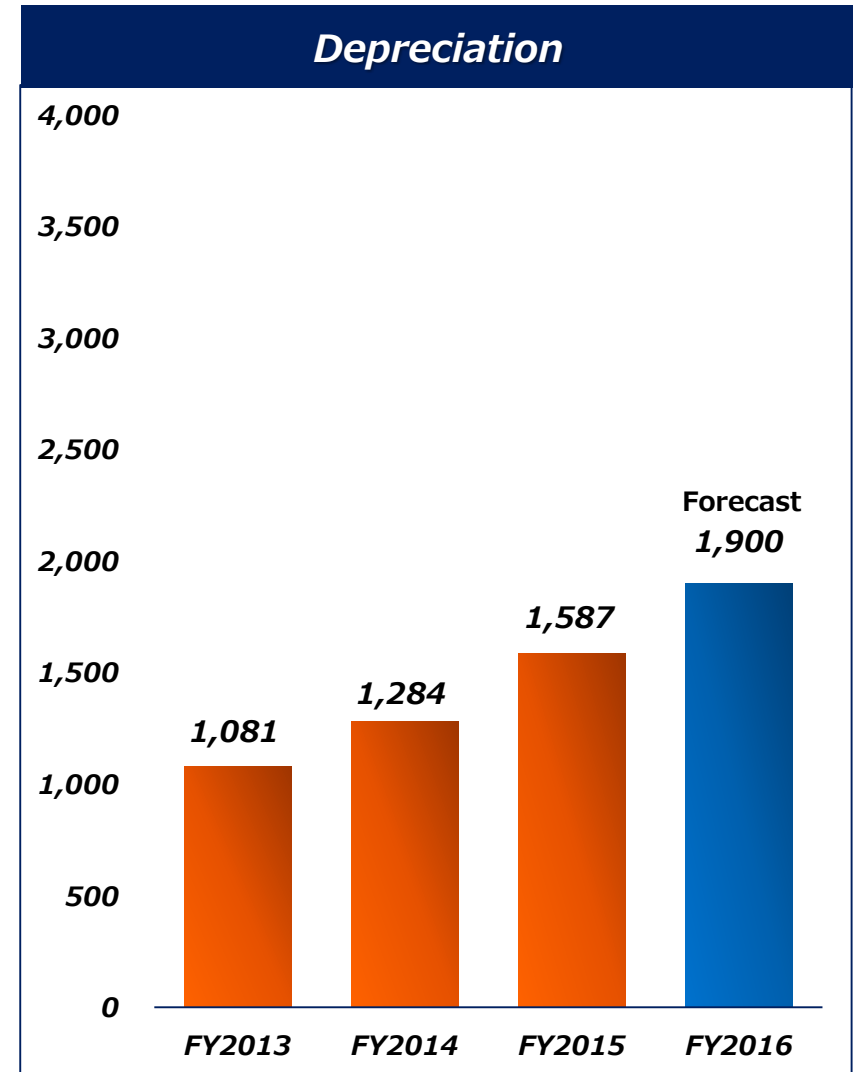
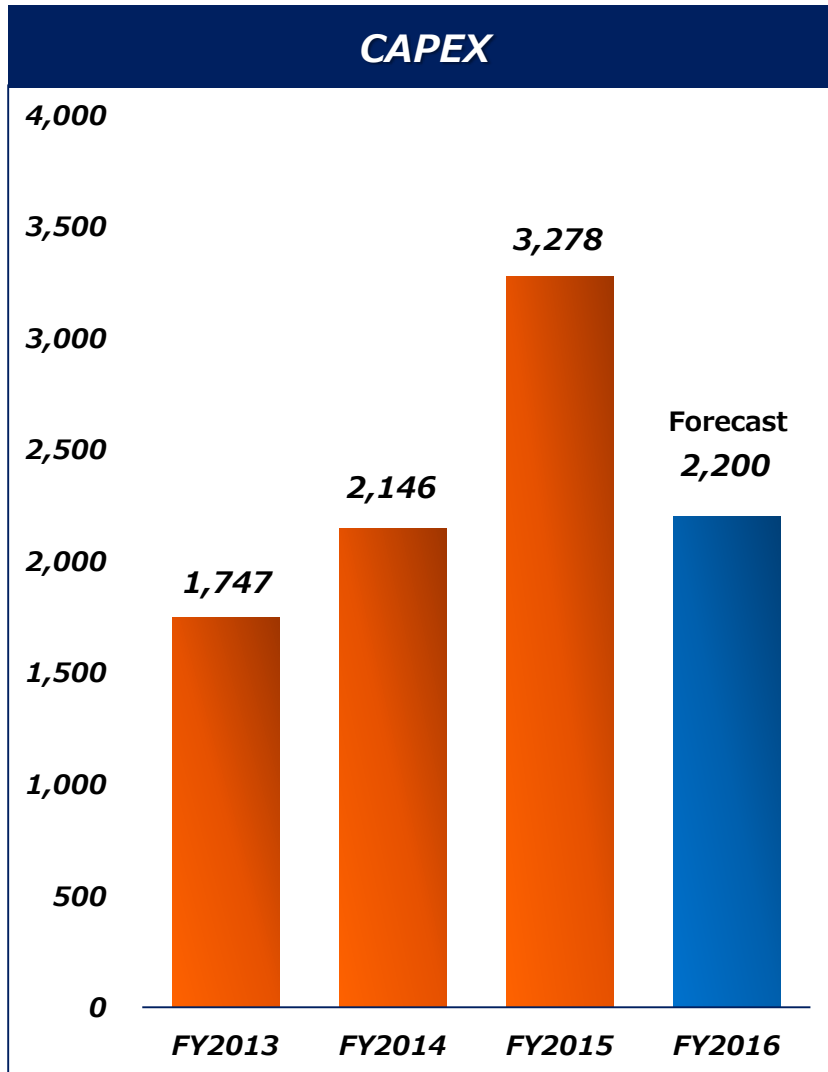
# <Forecast> Sale Trend by Segment

Unit: MJPY



# <Forecast> CAPEX and Depreciation

Unit: MJPY



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