

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on November 9, 2016.

(1) Consolidated balance sheet

(Millions of yen)

	2016/3/31	2016/9/30
Assets		
Current assets		
Cash and deposits	16,980	13,988
Notes and accounts receivable - trade	16,731	17,808
Electronically recorded monetary claims - operating	1,617	1,876
Merchandise and finished goods	6,460	5,687
Work in process	1,541	1,485
Raw materials and supplies	2,505	2,440
Deferred tax assets	458	465
Other	1,262	1,016
Allowance for doubtful accounts	-38	-34
Total current assets	47,520	44,733
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,337	9,835
Machinery, equipment and vehicles, net	9,867	9,706
Land	6,507	6,352
Construction in progress	1,508	764
Other, net	1,266	1,301
Total property, plant and equipment	29,486	27,960
Intangible assets		
Goodwill	82	72
Software	875	846
Other	230	290
Total intangible assets	1,188	1,209
Investments and other assets		
Investment securities	10,327	10,135
Deferred tax assets	965	900
Net defined benefit asset	1	-
Other	1,409	1,417
Allowance for doubtful accounts	-134	-186
Total investments and other assets	12,568	12,266
Total non-current assets	43,244	41,436
Total assets	90,765	86,169

(Millions of yen)

	2016/3/31	2016/9/30
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,907	9,134
Electronically recorded obligations - operating	2,767	2,862
Short-term loans payable	2,047	1,844
Current portion of bonds	3,000	3,000
Income taxes payable	438	528
Provision for product warranties	-	97
Provision for loss on liquidation of subsidiaries and associates	30	12
Other	6,788	5,454
Total current liabilities	24,980	22,933
Non-current liabilities		
Long-term loans payable	7,513	7,694
Stock-based compensation reserve	-	8
Net defined benefit liability	2,917	2,727
Other	148	182
Total non-current liabilities	10,580	10,613
Total liabilities	35,560	33,546
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,970	2,973
Retained earnings	42,090	43,623
Treasury shares	-256	-1,565
Total shareholders' equity	55,756	55,983
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,431	1,457
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	-1,169	-4,184
Remeasurements of defined benefit plans	-1,232	-1,020
Total accumulated other comprehensive income	-970	-3,745
Non-controlling interests	418	385
Total net assets	55,204	52,623
Total liabilities and net assets	90,765	86,169

(2) Consolidated statement of income

(Millions of yen)

	2015/04/01 2015/09/30	2016/04/01 2016/09/30
Net sales	48,152	43,813
Cost of sales	34,299	30,554
Gross profit	13,853	13,258
Selling, general and administrative expenses	10,934	10,402
Operating income	2,919	2,855
Non-operating income		
Interest and dividend income	144	132
Share of profit of entities accounted for using equity method	281	294
Other	451	219
Total non-operating income	877	646
Non-operating expenses		
Interest expenses	151	116
Foreign exchange losses	-	499
Other	153	124
Total non-operating expenses	305	739
Ordinary income	3,491	2,762
Profit before income taxes	3,491	2,762
Income taxes - current	671	710
Income taxes - deferred	179	-59
Total income taxes	851	651
Profit	2,640	2,111
Profit attributable to non-controlling interests	47	15
Profit attributable to owners of parent	2,592	2,095

(3) Consolidated statement of cash flows

(Millions of yen)

	2015/04/01 2015/09/30	2016/04/01 2016/09/30
Cash flows from operating activities		
Profit before income taxes	3,491	2,762
Depreciation	2,134	1,917
Amortization of goodwill and negative goodwill	5	4
Increase (decrease) in allowance for doubtful accounts	61	48
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	—	-14
Increase (decrease) in net defined benefit liability	-86	136
Interest and dividend income	-144	-132
Interest expenses	151	116
Foreign exchange losses (gains)	29	-13
Share of (profit) loss of entities accounted for using equity method	-281	-294
Loss (gain) on sales and retirement of non-current assets	34	46
Decrease (increase) in notes and accounts receivable - trade	224	-2,307
Decrease (increase) in inventories	839	168
Increase (decrease) in notes and accounts payable - trade	-1,109	138
Other, net	29	-22
Subtotal	5,378	2,553
Interest and dividend income received	409	337
Interest expenses paid	-153	-117
Income taxes paid	-795	-799
Income taxes refund	188	58
Net cash provided by (used in) operating activities	5,028	2,031
Cash flows from investing activities		
Decrease (increase) in time deposits	10	-46
Purchase of property, plant and equipment	-2,474	-2,347
Proceeds from sales of property, plant and equipment	63	39
Purchase of intangible assets	-175	-238
Purchase of investment securities	-9	-9
Proceeds from sales of investment securities	3	19
Other, net	136	12
Net cash provided by (used in) investing activities	-2,444	-2,571
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-277	28
Proceeds from long-term loans payable	—	453
Repayments of long-term loans payable	-303	-257
Purchase of treasury shares	-5	-1,627
Proceeds from sales of treasury shares	0	320
Cash dividends paid	-470	-563
Dividends paid to non-controlling interests	-19	-25
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-26	—
Other, net	-13	-10
Net cash provided by (used in) financing activities	-1,116	-1,682
Effect of exchange rate change on cash and cash equivalents	-544	-771
Net increase (decrease) in cash and cash equivalents	922	-2,993
Cash and cash equivalents at beginning of period	15,697	16,435
Cash and cash equivalents at end of period	16,619	13,442

(4) Consolidated statement of comprehensive income

(Millions of yen)

	2015/04/01 2015/09/30	2016/04/01 2016/09/30
Profit	2,640	2,111
Other comprehensive income		
Valuation difference on available-for-sale securities	-414	27
Deferred gains or losses on hedges	2	0
Foreign currency translation adjustment	-1,710	-2,545
Remeasurements of defined benefit plans, net of tax	67	212
Share of other comprehensive income of entities accounted for using equity method	64	-493
Total other comprehensive income	-1,989	-2,798
Comprehensive income	650	-687
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	604	-679
Comprehensive income attributable to non-controlling interests	45	-7