

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on November 10, 2017

(1) Consolidated balance sheet

(Millions of yen)

	2017/3/31	2017/9/30
Assets		
Current assets		
Cash and deposits	19,522	20,799
Notes and accounts receivable - trade	18,824	※ 19,266
Electronically recorded monetary claims - operating	1,788	※ 2,709
Merchandise and finished goods	6,754	6,685
Work in process	1,508	1,588
Raw materials and supplies	2,640	2,987
Deferred tax assets	550	559
Other	1,250	1,109
Allowance for doubtful accounts	-38	-37
Total current assets	52,801	55,668
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,005	10,039
Machinery, equipment and vehicles, net	9,965	9,567
Land	6,435	6,449
Construction in progress	1,168	1,637
Other, net	1,562	1,571
Total property, plant and equipment	29,137	29,265
Intangible assets		
Goodwill	74	68
Software	792	809
Other	681	585
Total intangible assets	1,548	1,464
Investments and other assets		
Investment securities	11,487	12,094
Deferred tax assets	403	203
Net defined benefit asset	0	—
Other	1,464	1,387
Allowance for doubtful accounts	-149	-148
Total investments and other assets	13,207	13,536
Total non-current assets	43,894	44,266
Total assets	96,695	99,934

(Millions of yen)

	2017/3/31	2017/9/30
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,259	※ 9,794
Electronically recorded obligations - operating	3,406	※ 4,273
Short-term loans payable	4,499	4,289
Income taxes payable	1,064	797
Provision for loss on liquidation of subsidiaries and associates	9	13
Other	6,533	6,199
Total current liabilities	24,773	25,367
Non-current liabilities		
Long-term loans payable	4,913	4,850
Bonds payable	6,000	6,000
Stock-based compensation reserve	29	38
Net defined benefit liability	2,006	1,830
Other	231	204
Total non-current liabilities	13,181	12,923
Total liabilities	37,954	38,291
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,995	2,995
Retained earnings	45,922	47,869
Treasury shares	-1,356	-1,459
Total shareholders' equity	58,513	60,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,060	2,469
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	-1,643	-1,167
Remeasurements of defined benefit plans	-409	-246
Total accumulated other comprehensive income	7	1,056
Non-controlling interests	220	230
Total net assets	58,741	61,643
Total liabilities and net assets	96,695	99,934

(2) Consolidated statement of income

(Millions of yen)

	2016/04/01 2016/09/30	2017/04/01 2017/09/30
Net sales	43,813	45,792
Cost of sales	30,554	32,139
Gross profit	13,258	13,653
Selling, general and administrative expenses	※ 10,402	※ 10,567
Operating profit	2,855	3,085
Non-operating income		
Interest and dividend income	132	155
Share of profit of entities accounted for using equity method	294	172
Other	219	237
Total non-operating income	646	566
Non-operating expenses		
Interest expenses	116	108
Foreign exchange losses	499	-
Loss on retirement of non-current assets	40	88
Other	83	68
Total non-operating expenses	739	264
Ordinary profit	2,762	3,387
Profit before income taxes	2,762	3,387
Income taxes - current	710	836
Income taxes - deferred	-59	-65
Total income taxes	651	770
Profit	2,111	2,616
Profit attributable to non-controlling interests	15	19
Profit attributable to owners of parent	2,095	2,597

(3) Consolidated statement of cash flows

(Millions of yen)

	2016/04/01 2016/09/30	2017/04/01 2017/09/30
Cash flows from operating activities		
Profit before income taxes	2,762	3,387
Depreciation	1,917	2,072
Amortization of goodwill and negative goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	48	-3
Increase (decrease) in Stock-based compensation reserve	8	9
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	-14	2
Increase (decrease) in net defined benefit liability	136	57
Interest and dividend income	-132	-155
Interest expenses	116	108
Foreign exchange losses (gains)	-13	-47
Share of (profit) loss of entities accounted for using equity method	-294	-172
Loss (gain) on sales and retirement of non-current assets	46	93
Decrease (increase) in notes and accounts receivable - trade	-2,307	-1,137
Decrease (increase) in inventories	168	-192
Increase (decrease) in notes and accounts payable - trade	138	1,209
Other, net	-31	261
Subtotal	2,553	5,496
Interest and dividend income received	337	369
Interest expenses paid	-117	-110
Income taxes paid	-799	-1,139
Income taxes refund	58	5
Net cash provided by (used in) operating activities	2,031	4,620
Cash flows from investing activities		
Decrease (increase) in time deposits	-46	-127
Purchase of property, plant and equipment	-2,347	-2,293
Proceeds from sales of property, plant and equipment	39	2
Purchase of intangible assets	-238	-368
Purchase of investment securities	-9	-10
Proceeds from sales of investment securities	19	127
Other, net	12	20
Net cash provided by (used in) investing activities	-2,571	-2,649
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	28	-85
Proceeds from long-term loans payable	453	—
Repayments of long-term loans payable	-257	-174
Purchase of treasury shares	-1,627	-154
Proceeds from sales of treasury shares	320	46
Cash dividends paid	-563	-651
Dividends paid to non-controlling interests	-25	-9
Other, net	-10	-17
Net cash provided by (used in) financing activities	-1,682	-1,045
Effect of exchange rate change on cash and cash equivalents	-771	211
Net increase (decrease) in cash and cash equivalents	-2,993	1,136
Cash and cash equivalents at beginning of period	16,435	18,935
Cash and cash equivalents at end of period	※ 13,442	※ 20,071

(4) Consolidated statement of comprehensive income

(Millions of yen)

	2016/04/01 2016/09/30	2017/04/01 2017/09/30
Profit	2,111	2,616
Other comprehensive income		
Valuation difference on available-for-sale securities	27	415
Deferred gains or losses on hedges	0	-0
Foreign currency translation adjustment	-2,545	528
Remeasurements of defined benefit plans, net of tax	212	162
Share of other comprehensive income of entities accounted for using equity method	-493	-56
Total other comprehensive income	-2,798	1,049
Comprehensive income	-687	3,666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-679	3,646
Comprehensive income attributable to non-controlling interests	-7	19