

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on May 11, 2018.

(1) Consolidated balance sheet

(Millions of yen)

	2017/03/31	2018/03/31
Assets		
Current assets		
Cash and deposits	19,522	18,947
Notes and accounts receivable - trade	18,824	18,950
Electronically recorded monetary claims - operating	1,788	2,834
Merchandise and finished goods	6,754	7,099
Work in process	1,508	1,708
Raw materials and supplies	2,640	3,080
Deferred tax assets	550	569
Other	1,250	1,182
Allowance for doubtful accounts	−38	−37
Total current assets	52,801	54,336
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,005	9,724
Machinery, equipment and vehicles, net	9,965	9,839
Land	6,435	6,416
Construction in progress	1,168	1,794
Other, net	1,562	1,634
Total property, plant and equipment	29,137	29,409
Intangible assets		
Goodwill	74	64
Software	792	734
Other	681	764
Total intangible assets	1,548	1,563
Investments and other assets		
Investment securities	11,487	12,443
Deferred tax assets	403	177
Net defined benefit asset	0	−
Other	1,464	1,448
Allowance for doubtful accounts	−149	−142
Total investments and other assets	13,207	13,926
Total non-current assets	43,894	44,899
Total assets	96,695	99,236

(Millions of yen)

	2017/03/31	2018/03/31
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,259	9,966
Electronically recorded obligations - operating	3,406	4,441
Short-term loans payable	4,499	2,921
Income taxes payable	1,064	925
Provision for loss on liquidation of subsidiaries and associates	9	—
Stock-based compensation intends reserves	—	15
Other	6,533	6,773
Total current liabilities	24,773	25,043
Non-current liabilities		
Long-term loans payable	4,913	3,226
Bonds payable	6,000	6,000
Stock-based compensation reserve	29	39
Net defined benefit liability	2,006	1,123
Other	231	408
Total non-current liabilities	13,181	10,797
Total liabilities	37,954	35,841
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,995	2,995
Retained earnings	45,922	49,371
Treasury shares	—1,356	—1,421
Total shareholders' equity	58,513	61,897
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,060	2,552
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	—1,643	—1,545
Remeasurements of defined benefit plans	—409	257
Total accumulated other comprehensive income	7	1,265
Non-controlling interests	220	231
Total net assets	58,741	63,394
Total liabilities and net assets	96,695	99,236

(2) Consolidated statement of income

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Net sales	88,387	91,263
Cost of sales	61,596	63,731
Gross profit	26,791	27,532
Selling, general and administrative expenses	20,895	21,196
Operating profit	5,896	6,336
Non-operating income		
Interest and dividend income	239	272
Share of profit of entities accounted for using equity method	591	476
Other	424	348
Total non-operating income	1,254	1,097
Non-operating expenses		
Interest expenses	232	207
Foreign exchange losses	41	339
Loss on retirement of non-current assets	63	112
Other	243	175
Total non-operating expenses	579	836
Ordinary profit	6,571	6,598
Extraordinary losses		
Impairment loss	17	184
Total extraordinary losses	17	184
Profit before income taxes	6,553	6,413
Income taxes - current	1,737	1,674
Income taxes - deferred	-164	-92
Total income taxes	1,573	1,582
Profit	4,980	4,831
Profit attributable to non-controlling interests	28	35
Profit attributable to owners of parent	4,951	4,795

(3) Consolidated statement of cash flows

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Cash flows from operating activities		
Profit before income taxes	6,553	6,413
Depreciation	4,101	4,383
Amortization of goodwill and negative goodwill	9	9
Impairment loss	17	184
Increase (decrease) in allowance for doubtful accounts	19	-4
Increase (decrease) in Stock-based compensation reserve	29	26
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	-17	-10
Increase (decrease) in net defined benefit liability	277	80
Interest and dividend income	-239	-272
Interest expenses	232	207
Foreign exchange losses (gains)	-51	66
Share of loss (profit) of entities accounted for using equity method	-591	-476
Loss (gain) on sales and retirement of non-current assets	58	109
Decrease (increase) in notes and accounts receivable - trade	-2,519	-1,189
Decrease (increase) in inventories	-541	-1,032
Increase (decrease) in notes and accounts payable - trade	171	1,749
Other, net	682	193
Subtotal	8,190	10,438
Interest and dividend income received	284	672
Interest expenses paid	-236	-215
Income taxes paid	-1,523	-1,912
Income taxes refund	84	12
Net cash provided by (used in) operating activities	6,799	8,995
Cash flows from investing activities		
Decrease (increase) in time deposits	-50	125
Purchase of property, plant and equipment	-4,004	-4,464
Proceeds from sales of property, plant and equipment	104	30
Purchase of intangible assets	-514	-575
Purchase of investment securities	-19	-50
Proceeds from sales of investment securities	110	135
Other, net	-265	-2
Net cash provided by (used in) investing activities	-4,638	-4,802
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-114	-206
Proceeds from long-term loans payable	553	100
Repayments of long-term loans payable	-529	-3,048
Proceeds from issuance of bonds	5,957	-
Redemption of bonds	-3,000	-
Purchase of treasury shares	-1,642	-155
Proceeds from sales of treasury shares	367	95
Cash dividends paid from parent company	-1,119	-1,347
Dividends paid to non-controlling interests	-25	-9
Other, net	-23	-33
Net cash provided by (used in) financing activities	422	-4,605
Effect of exchange rate change on cash and cash equivalents	-82	-45
Net increase (decrease) in cash and cash equivalents	2,499	-458
Cash and cash equivalents at beginning of period	16,435	18,935
Cash and cash equivalents at end of period	18,935	18,476

(4) Consolidated statement of comprehensive income

(Millions of yen)

	2016/04/01 2017/03/31	2017/04/01 2018/03/31
Profit	4,980	4,831
Other comprehensive income		
Valuation difference on available-for-sale securities	629	495
Deferred gains or losses on hedges	0	-0
Foreign currency translation adjustment	-364	46
Remeasurements of defined benefit plans, net of tax	822	667
Share of other comprehensive income of entities accounted for using equity method	-112	33
Total other comprehensive income	975	1,243
Comprehensive income	5,955	6,074
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,928	6,053
Comprehensive income attributable to non-controlling interests	26	20