

CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated Financial Statements were publicly released in the Japanese language on November 9, 2018.

(1) Consolidated balance sheet

(Millions of yen)

	2018/03/31	2018/09/30
Assets		
Current assets		
Cash and deposits	18,947	20,300
Notes and accounts receivable - trade	18,950	19,703
Electronically recorded monetary claims - operating	2,834	3,298
Merchandise and finished goods	7,099	7,030
Work in process	1,708	1,710
Raw materials and supplies	3,080	3,309
Other	1,182	1,110
Allowance for doubtful accounts	- 37	- 26
Total current assets	53,767	56,437
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,724	9,677
Machinery, equipment and vehicles, net	9,839	10,075
Land	6,416	6,385
Construction in progress	1,794	1,256
Other, net	1,634	1,672
Total property, plant and equipment	29,409	29,068
Intangible assets		
Goodwill	64	61
Software	734	723
Other	764	707
Total intangible assets	1,563	1,492
Investments and other assets		
Investment securities	12,443	12,428
Deferred tax assets	501	513
Other	1,448	1,501
Allowance for doubtful accounts	- 142	- 144
Total investments and other assets	14,249	14,298
Total non-current assets	45,222	44,859
Total assets	98,990	101,296

(Millions of yen)

	2018/03/31	2018/09/30
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,966	10,065
Electronically recorded obligations - operating	4,441	4,593
Short-term loans payable	2,921	2,996
Income taxes payable	925	1,027
Stock-based compensation intends reserves	15	-
Other	6,773	6,144
Total current liabilities	25,043	24,828
Non-current liabilities		
Long-term loans payable	3,226	3,181
Bonds payable	6,000	6,000
Stock-based compensation reserve	39	58
Net defined benefit liability	1,123	978
Other	162	188
Total non-current liabilities	10,552	10,406
Total liabilities	35,595	35,234
Net assets		
Shareholders' equity		
Capital stock	10,951	10,951
Capital surplus	2,995	2,995
Retained earnings	49,371	52,027
Treasury shares	- 1,421	- 1,369
Total shareholders' equity	61,897	64,606
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,552	2,532
Foreign currency translation adjustment	- 1,545	- 1,611
Remeasurements of defined benefit plans	257	287
Total accumulated other comprehensive income	1,265	1,208
Non-controlling interests	231	248
Total net assets	63,394	66,062
Total liabilities and net assets	98,990	101,296

(2) Consolidated statement of income

(Millions of yen)

	2017/04/01 2017/09/30	2018/04/01 2018/09/30
Net sales	45,792	48,201
Cost of sales	32,139	33,787
Gross profit	13,653	14,413
Selling, general and administrative expenses	10,567	10,605
Operating profit	3,085	3,808
Non-operating income		
Interest and dividend income	155	165
Share of profit of entities accounted for using equity method	172	378
Foreign exchange gains	34	265
Other	203	177
Total non-operating income	566	987
Non-operating expenses		
Interest expenses	108	89
Loss on retirement of non-current assets	88	108
Other	68	51
Total non-operating expenses	264	249
Ordinary profit	3,387	4,546
Profit before income taxes	3,387	4,546
Income taxes - current	836	1,155
Income taxes - deferred	- 65	22
Total income taxes	770	1,177
Profit	2,616	3,369
Profit attributable to non-controlling interests	19	17
Profit attributable to owners of parent	2,597	3,352

(3) Consolidated statement of cash flows

(Millions of yen)

	2017/04/01 2017/09/30	2018/04/01 2018/09/30
Cash flows from operating activities		
Profit before income taxes	3,387	4,546
Depreciation	2,072	2,135
Amortization of goodwill and negative goodwill	4	4
Increase (decrease) in allowance for doubtful accounts	- 3	- 2
Increase (decrease) in Stock-based compensation reserve	9	3
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	2	-
Increase (decrease) in net defined benefit liability	57	- 98
Interest and dividend income	- 155	- 165
Interest expenses	108	89
Foreign exchange losses (gains)	- 47	65
Share of loss (profit) of entities accounted for using equity method	- 172	- 378
Loss (gain) on sales and retirement of non-current assets	93	90
Decrease (increase) in notes and accounts receivable - trade	- 1,137	- 1,191
Decrease (increase) in inventories	- 192	- 127
Increase (decrease) in notes and accounts payable - trade	1,209	168
Other, net	261	265
Subtotal	5,496	5,405
Interest and dividend income received	369	283
Interest expenses paid	- 110	- 89
Income taxes paid	- 1,139	- 1,109
Income taxes refund	5	9
Net cash provided by (used in) operating activities	4,620	4,499
Cash flows from investing activities		
Decrease (increase) in time deposits	- 127	83
Purchase of property, plant and equipment	- 2,293	- 2,368
Proceeds from sales of property, plant and equipment	2	22
Purchase of intangible assets	- 368	- 222
Purchase of investment securities	- 10	- 10
Proceeds from sales of investment securities	127	30
Other, net	20	- 29
Net cash provided by (used in) investing activities	- 2,649	- 2,494
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	- 85	57
Repayments of long-term loans payable	- 174	- 60
Purchase of treasury shares	- 154	- 0
Proceeds from sales of treasury shares	46	47
Cash dividends paid from parent company	- 651	- 695
Dividends paid to non-controlling interests	- 9	- 17
Other, net	- 17	- 16
Net cash provided by (used in) financing activities	- 1,045	- 685
Effect of exchange rate change on cash and cash equivalents	211	117
Net increase (decrease) in cash and cash equivalents	1,136	1,436
Cash and cash equivalents at beginning of period	18,935	18,476
Cash and cash equivalents at end of period	20,071	19,913

(4) Consolidated statement of comprehensive income

(Millions of yen)

	2017/04/01 2017/09/30	2018/04/01 2018/09/30
Profit	2,616	3,369
Other comprehensive income		
Valuation difference on available-for-sale securities	415	- 20
Deferred gains or losses on hedges	- 0	-
Foreign currency translation adjustment	528	207
Remeasurements of defined benefit plans, net of tax	162	29
Share of other comprehensive income of entities accounted for using equity method	- 56	- 256
Total other comprehensive income	1,049	- 39
Comprehensive income	3,666	3,329
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,646	3,295
Comprehensive income attributable to non-controlling interests	19	33