

Consolidated Balance Sheets

(Millions of yen)

ASSETS	End of FY2017	End of FY2016	LIABILITIES	End of FY2017	End of FY2016
Current assets			Current liabilities		
Cash and deposits	¥ 104,309	¥ 97,553	Notes and accounts payable – trade	¥ 80,989	¥ 75,656
Notes and accounts receivable – trade	141,447	131,567	Short-term loans payable	18,595	18,092
Merchandise and finished goods	12,769	11,941	Current portion of long-term loans payable	25,126	13,669
Work in process	10,039	10,266	Accrued expenses	33,279	34,298
Raw materials and supplies	28,099	30,764	Income taxes payable	3,704	3,522
Deferred tax assets	5,153	4,341	Provision for directors' bonuses	194	181
Other	26,882	19,034	Provision for product warranties	858	1,020
Allowance for doubtful accounts	(177)	(195)	Deposits received from employees	4,745	4,655
Total current assets	328,524	305,273	Other	21,581	19,477
Non-current assets			Total current liabilities	189,075	170,574
Property, plant and equipment			Non-current liabilities		
Buildings and structures	196,243	185,758	Bonds payable	10,000	–
Accumulated depreciation	(111,872)	(107,081)	Long-term loans payable	54,458	57,261
Buildings and structures, net	84,370	78,676	Deferred tax liabilities	4,322	6,266
Machinery, equipment and vehicles	381,276	373,000	Net defined benefit liability	34,101	32,943
Accumulated depreciation	(289,538)	(288,430)	Other	16,520	14,191
Machinery, equipment and vehicles, net	91,737	84,569	Total non-current liabilities	119,403	110,663
Tools, furniture and fixtures	172,804	160,837	Total liabilities	¥ 308,479	¥ 281,237
Accumulated depreciation	(136,495)	(130,592)			
Tools, furniture and fixtures, net	36,308	30,244	NET ASSETS	End of FY2017	End of FY2016
Land	27,646	26,595	Shareholders' equity		
Construction in progress	19,474	25,580	Capital stock	¥ 28,027	¥ 28,027
Total property, plant and equipment	259,537	245,666	Capital surplus	29,150	29,314
Intangible assets			Retained earnings	268,930	255,001
Goodwill	37	217	Treasury shares	(1,218)	(1,216)
Software	1,363	1,439	Total shareholders' equity	324,890	311,127
Other	1,154	667	Accumulated other comprehensive income		
Total intangible assets	2,555	2,324	Valuation difference on available-for-sale securities	12,265	11,136
Investments and other assets			Foreign currency translation adjustment	(1,723)	865
Investment securities	58,333	51,520	Remeasurements of defined benefit plans	(6,794)	(8,250)
Net defined benefit asset	5,625	5,057	Total accumulated other comprehensive income	3,747	3,752
Deferred tax assets	4,435	6,275	Non-controlling interests	25,271	24,582
Other	3,400	4,650	Total net assets	353,909	339,461
Allowance for doubtful accounts	(69)	(69)	Total liabilities and net assets	¥ 662,388	¥ 620,699
Total investments and other assets	71,726	67,434			
Total non-current assets	333,819	315,425			
Deferred assets					
Bond issuance cost	45	–			
Total deferred assets	45	–			
Total assets	¥ 662,388	¥ 620,699			

Consolidated Statements of Income

(Millions of yen)

	FY2017	FY2016		FY2017	FY2016
Net sales	¥ 806,938	¥ 755,601	Recall cost	–	1,165
Cost of sales	704,703	657,946	Compensation expenses	–	1,069
Gross profit	102,235	97,655	Loss on sales of non-current assets	691	432
Selling, general and administrative expenses			Other	1,519	1,778
Packing and transportation expenses	5,033	4,778	Total non-operating expenses	5,333	6,559
Provisions for product warranties	630	951	Ordinary profit	43,200	39,007
Salaries and allowances	20,508	19,179	Extraordinary income		
Retirement benefit expenses	1,315	1,391	Gain on step acquisitions	101	–
Provisions for directors' bonuses	184	168	Gain on bargain purchase	125	–
Depreciation	3,716	3,551	Total extraordinary income	226	–
Other	29,709	26,957	Extraordinary losses		
Total selling, general and administrative expenses	61,099	56,979	Loss on antitrust law	3,269	–
Operating profit	41,136	40,675	Loss on disposal of inventories	–	1,416
Non-operating income			Impairment loss	3,886	6,302
Interest income	1,495	753	Loss on liquidation of subsidiaries	495	–
Dividend income	685	650	Total extraordinary losses	7,651	7,718
Share of profit of entities accounted for using equity methods	1,044	765	Profit before income taxes	35,775	31,288
Gains on sales of non-current assets	1,247	156	Income taxes - current	12,790	11,119
Profit upon recognition of indemnification claims	985	–	Income taxes - deferred	(1,654)	1,155
Other	1,940	2,564	Total income taxes	11,136	12,274
Total non-operating income	7,398	4,891	Profit	24,638	19,013
Non-operating expenses			Profit attributable to non-controlling interests	3,463	2,780
Interest expenses	2,141	1,523	Profit attributable to owners of parent	¥ 21,175	¥ 16,233
Foreign exchange losses	981	589			

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2017	FY2016		FY2017	FY2016
Profit	¥ 24,638	¥ 19,013	Comprehensive income attributable to:		
Other comprehensive income			Owners of parent	¥ 21,182	¥ 17,776
Valuation difference on available-for-sale securities	1,121	1,270	Non-controlling interests	4,113	2,613
Foreign currency translation adjustment	(1,977)	(1,450)			
Remeasurements of defined benefit plans, net of tax	1,313	1,481			
Share of other comprehensive income of entities accounted for using equity method	199	75			
Total other comprehensive income	657	1,376			
Comprehensive income	¥ 25,295	¥ 20,390			

Consolidated Statement of Changes in Equity FY2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	¥ 28,027	¥ 29,314	¥ 255,001	¥ (1,216)	¥ 311,127
Changes of items during period					
Dividends of surplus			(7,249)		(7,249)
Change in scope of consolidation			2		2
Profit attributable to owners of parent			21,175		21,175
Purchase of treasury shares				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		(163)			(163)
Net changes in items other than shareholders' equity					
Total changes of items during period	-	(163)	13,928	(1)	13,763
Balance at end of current period	¥ 28,027	¥ 29,150	¥ 268,930	¥ (1,218)	¥ 324,890

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at beginning of current period	¥ 11,136	¥ 865	¥ (8,250)	¥ 3,752	¥ 24,582	¥ 339,461
Changes of items during period						
Dividends of surplus						(7,249)
Change in scope of consolidation						2
Profit attributable to owners of parent						21,175
Purchase of treasury shares						(1)
Change in ownership interest of parent due to transactions with non-controlling interests						(163)
Net changes in items other than shareholders' equity	1,128	(2,589)	1,455	(4)	689	684
Total changes of items during period	1,128	(2,589)	1,455	(4)	689	14,447
Balance at end of current period	¥ 12,265	¥ (1,723)	¥ (6,794)	¥ 3,747	¥ 25,271	¥ 353,909

Consolidated Statements of Cash Flows

(Millions of yen)

	FY2017	FY2016
Cash flows from operating activities		
Profit before income taxes	¥ 35,775	¥ 31,288
Depreciation	44,037	40,902
Loss (gain) on step acquisitions	(101)	-
Gain on bargain purchase	(125)	-
Impairment loss	3,886	6,302
Amortization of goodwill	99	92
Increase (decrease) in allowance for doubtful accounts	(19)	18
Increase (decrease) in provision for product warranties	(152)	(100)
Increase (decrease) in net defined benefit liability	1,366	1,405
Decrease (increase) in net defined benefit asset	862	433
Interest and dividend income	(2,180)	(1,404)
Interest expenses	2,141	1,523
Foreign exchange losses (gains)	(1,080)	2,441
Share of loss (profit) of entities accounted for using equity method	(1,044)	(765)
Loss (gain) on sales and valuation of investment securities	2	(112)
Loss (gain) on sales and retirement of property, plant and equipment	(556)	276
Decrease (increase) in notes and accounts receivables – trade	(9,509)	(7,665)
Decrease (increase) in inventories	2,113	(1,078)
Decrease (increase) in other current assets	(5,255)	477
Increase (decrease) in notes and accounts payables – trade	4,202	(4,627)
Increase (decrease) in other current liabilities	(1,249)	(1,120)
Other, net	235	(209)
Subtotal	73,448	68,078
Interest and dividend income received	2,502	1,550
Interest expenses paid	(2,130)	(1,583)
Income taxes paid	(12,971)	(7,644)
Net cash provided by operating activities	60,848	60,401
Cash flows from investing activities		
Purchases of investment securities	(2,089)	(92)
Proceeds from sales and redemption of investment securities	410	138
Purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	(494)	-
Purchase of property, plant and equipment and intangible assets	(60,914)	(55,004)
Proceeds from sales of property, plant and equipment	2,449	365
Net decrease (increase) in time deposits	21,406	(27,311)
Other, net	30	(226)
Net cash used in investing activities	(39,201)	(82,131)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	198	(188)
Proceeds from long-term loans payable	24,187	27,031
Repayments of long-term loans payable	(13,943)	(3,267)
Proceeds from issuance of bonds	10,000	-
Proceeds from share issuance to non-controlling shareholders	163	174
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(7,248)	(6,860)
Dividends paid to non-controlling interests	(2,235)	(2,060)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(3,866)	-
Repayments to non-controlling shareholders	(649)	-
Other, net	(61)	(33)
Net cash provided by financing activities	6,541	14,794
Effect of exchange rate change on cash and cash equivalents	(65)	(1,350)
Net increase (decrease) in cash and cash equivalents	28,122	(8,284)
Cash and cash equivalents at beginning of period	69,918	78,203
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(49)	-
Cash and cash equivalents at end of period	¥ 97,991	¥ 69,918