

Consolidated Financial Statements**(1) Consolidated Balance Sheet**

| | (Millions of yen) | |
|--|----------------------|---------------------|
| | As of March 31, 2017 | As of June 30, 2017 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 18,229 | 16,079 |
| Notes and accounts receivable - trade | 24,077 | 24,238 |
| Merchandise and finished goods | 4,912 | 4,863 |
| Work in process | 3,129 | 3,382 |
| Raw materials and supplies | 13,323 | 13,701 |
| Deferred tax assets | 1,784 | 1,374 |
| Other | 2,209 | 1,137 |
| Allowance for doubtful accounts | (6) | (6) |
| Total current assets | 67,660 | 64,771 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 12,156 | 12,007 |
| Machinery, equipment and vehicles, net | 8,697 | 8,838 |
| Land | 16,847 | 16,867 |
| Leased assets, net | 3,558 | 3,432 |
| Other, net | 793 | 966 |
| Total property, plant and equipment | 42,053 | 42,111 |
| Intangible assets | 1,687 | 1,626 |
| Investments and other assets | | |
| Investment securities | 25,443 | 26,984 |
| Net defined benefit asset | 240 | 240 |
| Deferred tax assets | 1,865 | 1,350 |
| Other | 1,267 | 1,249 |
| Allowance for doubtful accounts | (36) | (36) |
| Total investments and other assets | 28,780 | 29,788 |
| Total non-current assets | 72,521 | 73,525 |
| Total assets | 140,182 | 138,297 |

(Millions of yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 7,806 | 8,456 |
| Short-term loans payable | 4,827 | 4,276 |
| Current portion of long-term loans payable | 6,747 | 6,216 |
| Lease obligations | 594 | 591 |
| Income taxes payable | 1,633 | 483 |
| Provision for bonuses | 1,284 | 449 |
| Other | 6,051 | 6,872 |
| Total current liabilities | 28,946 | 27,346 |
| Non-current liabilities | | |
| Long-term loans payable | 11,667 | 9,719 |
| Lease obligations | 3,522 | 3,375 |
| Provision for repairs | 5,438 | 5,483 |
| Net defined benefit liability | 11,051 | 10,911 |
| Other | 1,275 | 1,215 |
| Total non-current liabilities | 32,594 | 30,704 |
| Total liabilities | 61,901 | 58,050 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 19,699 | 19,699 |
| Capital surplus | 19,037 | 19,037 |
| Retained earnings | 36,313 | 37,947 |
| Treasury shares | (1,757) | (2,523) |
| Total shareholders' equity | 73,292 | 74,161 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 5,382 | 6,453 |
| Foreign currency translation adjustment | 935 | 886 |
| Remeasurements of defined benefit plans | (2,220) | (2,143) |
| Total accumulated other comprehensive income | 4,097 | 5,196 |
| Non-controlling interests | 890 | 888 |
| Total net assets | 78,281 | 80,246 |
| Total liabilities and net assets | 140,182 | 138,297 |

(2) Consolidated Statement of Income and Comprehensive Income

| | (Millions of yen) | |
|---|---|---|
| | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
| (Consolidated Statement of Income) [For the three months] | | |
| Net sales | 20,028 | 21,401 |
| Cost of sales | 13,027 | 13,664 |
| Gross profit | 7,001 | 7,736 |
| Selling, general and administrative expenses | 4,501 | 4,594 |
| Operating income | 2,500 | 3,142 |
| Non-operating income | | |
| Interest income | 2 | 4 |
| Dividend income | 271 | 382 |
| Rent income | 20 | 21 |
| Other | 32 | 58 |
| Total non-operating income | 327 | 466 |
| Non-operating expenses | | |
| Interest expenses | 89 | 67 |
| Foreign exchange losses | 267 | 84 |
| Other | 68 | 52 |
| Total non-operating expenses | 425 | 204 |
| Ordinary income | 2,402 | 3,404 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 38 | 74 |
| Total extraordinary losses | 38 | 74 |
| Profit before income taxes | 2,363 | 3,330 |
| Income taxes - current | 268 | 500 |
| Income taxes - deferred | 454 | 406 |
| Total income taxes | 722 | 906 |
| Profit | 1,640 | 2,424 |
| Profit attributable to non-controlling interests | 11 | 7 |
| Profit attributable to owners of parent | 1,628 | 2,416 |

| | (Millions of yen) | |
|---|---|---|
| | For the three months ended June 30, 2016 | For the three months ended June 30, 2017 |
| (Consolidated Statement of Comprehensive Income) [For the three months] | | |
| Profit | 1,640 | 2,424 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (2,927) | 1,073 |
| Foreign currency translation adjustment | (647) | (49) |
| Remeasurements of defined benefit plans, net of tax | 73 | 77 |
| Total other comprehensive income | (3,501) | 1,101 |
| Comprehensive income | (1,860) | 3,525 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (1,871) | 3,515 |
| Comprehensive income attributable to non-controlling interests | 11 | 10 |