

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

	(Millions of yen)	
	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	18,229	21,542
Notes and accounts receivable - trade	24,077	27,126
Merchandise and finished goods	4,912	5,245
Work in process	3,129	3,420
Raw materials and supplies	13,323	14,643
Deferred tax assets	1,784	1,623
Other	2,209	1,007
Allowance for doubtful accounts	(6)	(6)
Total current assets	67,660	74,603
Non-current assets		
Property, plants, and equipment		
Buildings and structures, net	12,156	11,950
Machinery, equipment, and vehicles, net	8,697	8,629
Land	16,847	14,718
Leased assets, net	3,558	3,306
Other, net	793	1,531
Total property, plants, and equipment	42,053	40,136
Intangible assets	1,687	1,594
Investments and other assets		
Investment securities	25,443	27,135
Net defined benefit asset	240	240
Deferred tax assets	1,865	1,314
Other	1,267	1,232
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	28,780	29,885
Total non-current assets	72,521	71,616
Total assets	140,182	146,220

(Millions of yen)

	As of March 31, 2017	As of September 30,2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,806	10,187
Short-term loans payable	4,827	4,382
Current portion of long-term loans payable	6,747	5,931
Lease obligations	594	582
Income taxes payable	1,633	2,197
Provision for bonuses	1,284	1,098
Other	6,051	6,674
Total current liabilities	28,946	31,055
Non-current liabilities		
Long-term loans payable	11,667	8,808
Lease obligations	3,522	3,238
Provision for repairs	5,438	5,734
Net defined benefit liability	11,051	10,708
Other	1,275	1,230
Total non-current liabilities	32,954	29,719
Total liabilities	61,901	60,775
Net assets		
Shareholders' equity		
Capital stock	19,699	19,699
Capital surplus	19,037	19,037
Retained earnings	36,313	42,960
Treasury shares	(1,757)	(2,530)
Total shareholders' equity	73,292	79,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,382	6,555
Foreign currency translation adjustment	935	886
Remeasurements of defined benefit plans	(2,220)	(2,066)
Total accumulated other comprehensive income	4,097	5,376
Non-controlling interests	890	901
Total net assets	78,281	85,444
Total liabilities and net assets	140,182	146,220

(2) Consolidated Statement of Income and Comprehensive Income

(Consolidated Statement of Income) [For the six months]

(Millions of yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Net sales	40,893	43,172
Cost of sales	26,237	27,552
Gross profit	14,656	15,620
Selling, general, and administrative expenses	9,179	9,383
Operating income	5,476	6,236
Non-operating income		
Interest income	6	10
Dividend income	276	388
Rent income	40	41
Other	71	99
Total non-operating income	394	540
Non-operating expenses		
Interest expenses	171	127
Foreign exchange losses	297	42
Other	121	124
Total non-operating expenses	590	294
Ordinary income	5,280	6,481
Extraordinary income		
Gain on sales of non-current assets	5	4,033
Total extraordinary income	5	4,033
Extraordinary losses		
Loss on disposal of non-current assets	55	120
Total extraordinary losses	55	120
Profit before income taxes	5,230	10,394
Income taxes - current	1,079	2,811
Income taxes - deferred	493	138
Total income taxes	1,573	2,949
Profit	3,657	7,445
Profit attributable to non-controlling interests	22	16
Profit attributable to owners of the parent	3,634	7,428

(Consolidated Statement of Comprehensive Income) [For the six months]	(Millions of yen)	
	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Profit	3,657	7,445
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,090)	1,179
Foreign currency translation adjustment	(1,748)	(49)
Remeasurements of defined benefit plans, net of tax	147	154
Total other comprehensive income	(4,691)	1,284
Comprehensive income	(1,034)	8,729
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(1,056)	8,707
Comprehensive income attributable to non-controlling interests	22	22

(3) Consolidated Statement of Cash Flows

	(Millions of yen)	
	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Cash flows from operating activities		
Profit before income taxes	5,230	10,394
Depreciation	2,012	1,999
Increase (decrease) in net defined benefit liability	(236)	(127)
Increase (decrease) in provision for repairs	216	296
Interest and dividend income	(282)	(399)
Interest expenses	171	127
Loss (gain) on sales and retirement of non-current assets	50	(3,913)
Decrease (increase) in notes and accounts receivable - trade	(322)	(3,050)
Decrease (increase) in inventories	(659)	(1,969)
Increase (decrease) in notes and accounts payable - trade	415	2,123
Other, net	(122)	1,293
Subtotal	<u>6,473</u>	<u>6,775</u>
Interest and dividend income received	282	399
Interest expenses paid	(185)	(135)
Income taxes paid	(1,267)	(2,166)
Net cash provided by (used in) operating activities	<u>5,303</u>	<u>4,873</u>
Cash flows from investing activities		
Purchase of non-current assets	(583)	(1,415)
Proceeds from sales of property, plants, and equipment	5	6,179
Other, net	(346)	(253)
Net cash provided by (used in) investing activities	<u>(924)</u>	<u>4,510</u>
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	603	(463)
Proceeds from long-term loans payable	3,850	-
Repayments of long-term loans payable	(5,018)	(3,674)
Repayments of finance lease obligations	(341)	(296)
Purchase of treasury stock	(3)	(772)
Cash dividends paid	(1,195)	(781)
Other, net	(11)	(12)
Net cash provided by (used in) financing activities	<u>(2,116)</u>	<u>(6,000)</u>
Effect of exchange rate change on cash and cash equivalents	(472)	(48)
Net increase (decrease) in cash and cash equivalents	<u>1,790</u>	<u>3,334</u>
Cash and cash equivalents at the beginning of the period	17,466	17,428
Cash and cash equivalents at the end of the period	<u>19,256</u>	<u>20,762</u>