

# Consolidated Financial Statements (March 31, 2017)

(Unit: Million yen)

## Consolidated balance sheet

	FY 2016	FY 2017
<b>Assets</b>		
Current assets		
Cash and deposits	40,009	57,514
Notes and accounts receivable	60,130	61,154
Electronically recorded monetary claims-operating	10,625	11,715
Marketable securities	14,516	5,510
Finished goods	8,388	12,005
Work-in-process	16,431	17,942
Raw materials and supplies	7,836	5,369
Deferred tax assets	11,610	6,926
Other current assets	27,666	9,161
Less: Allowance for doubtful accounts	(55)	(181)
Total current assets	197,161	187,118
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	78,829	82,510
Accumulated depreciation	(47,867)	(49,313)
Buildings and structures (net)	30,961	33,196
Machinery and vehicle	132,562	136,956
Accumulated depreciation	(100,190)	(104,747)
Machinery and vehicle (net)	32,371	32,209
Tools and furniture	122,056	125,803
Accumulated depreciation	(109,201)	(112,284)
Tools and furniture (net)	12,855	13,518
Land	13,184	13,137
Tangible lease assets	522	567
Accumulated depreciation	(180)	(247)
Lease assets (net)	341	320
Construction in progress	8,832	6,954
Total tangible noncurrent assets	98,548	99,335
Intangible noncurrent assets		
Goodwill	98	65
Software	2,059	2,222
Others	322	316
Total intangible noncurrent assets	2,480	2,603
Investments and other assets		
Investment securities	40,116	34,652
Long-term loans	421	398
Net defined benefit asset	20,405	22,171
Deferred tax assets	1,479	2,717
Others	2,850	19,782
Less: Allowance for doubtful accounts	(120)	(114)
Total investments and other assets	65,153	79,608
Total noncurrent assets	166,182	181,548
Total	363,343	368,666

(Unit: Million yen)

	FY 2016	FY 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	37,803	40,529
Electronically recorded obligations-operating	18,083	19,169
Short-term borrowings	1,818	1,599
Long-term borrowings due within a year	804	606
Short-term lease liabilities	90	101
Accrued expenses	18,745	35,038
Income taxes payable	1,617	1,557
Accrued bonuses to employees	7,331	7,806
Accrued bonuses to directors	283	241
Provision for accrued product warranty	22,921	6,607
Others	4,865	6,393
Total current liabilities	114,365	119,650
Noncurrent liabilities		
Long-term borrowings	807	—
Short-term lease liabilities	129	85
Deferred tax liabilities	848	6,048
Retirement allowances for directors and corporate auditors	383	353
Net defined benefit liability	24,158	24,508
Long-term asset retirement obligations	144	144
Others	755	5,532
Total noncurrent liabilities	27,227	36,673
Total liabilities	141,593	156,323
<b>Equity</b>		
Shareholders' equity		
Common stock	22,856	22,856
Capital surplus	25,600	25,645
Retained earnings	161,071	151,262
Treasury common stock, at cost	(5,458)	(5,392)
Total shareholders' equity	204,069	194,371
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	4,078	4,452
Foreign currency translation adjustments	1,456	(216)
Remeasurements of defined benefit plans	973	2,436
Total accumulated other comprehensive income	6,509	6,672
Stock acquisition rights	74	28
Non-controlling interests	11,097	11,270
Total equity	221,750	212,343
<b>Total</b>	<b>363,343</b>	<b>368,666</b>

# Consolidated Financial Statements (Years ended March 31, 2017 and 2016)

(Unit: Million yen)

## Consolidated statement of income

	FY 2016	FY 2017
Net sales	476,202	459,070
Cost of sales	403,372	394,486
Gross profit	72,829	64,583
Selling, general and administrative expenses	38,221	34,061
Operating income	34,608	30,522
Non-operating income		
Interest income	368	416
Dividend income	422	423
Share of profit of entities accounted for using equity method	302	—
Foreign exchange gain	—	275
Other	748	672
Total non-operating income	1,842	1,787
Non-operating expenses		
Interest expense	116	74
Share of loss of entities accounted for using equity method	—	19
Foreign exchange loss	1,557	—
Other	104	105
Total non-operating expenses	1,777	198
Ordinary income	34,673	32,111
Extraordinary income		
Gain on sales of non-current assets	22	45
State subsidy	64	—
Gain on sales of investment securities	23	597
Reversal of stock acquisition rights	50	29
Total extraordinary income	161	671
Extraordinary loss		
Loss on sales and retirement of non-current assets	28	254
Loss on reduction of non-current assets	64	—
Impairment loss	1,477	93
Provision for product warranties	21,317	—
Loss on product warranties	—	10,460
Loss on violation of antitrust law	—	12,092
Other	227	—
Total extraordinary loss	23,115	22,900
Income before income taxes	11,719	9,882
Income taxes current	6,481	5,403
Income taxes deferred	(1,277)	7,978
Total income taxes	5,204	13,382
Profit	6,515	(3,499)
Profit attributable to non-controlling interests	924	836
Profit attributable to owners of parent	5,591	(4,336)

(Unit: Million yen)

## Consolidated statement of comprehensive income (Years ended March 31, 2017 and 2016)

	FY 2016	FY 2017
Profit	6,515	(3,499)
Other comprehensive income		
Net unrealized gain on available-for-sale securities	(786)	428
Foreign currency translation adjustments	(8,419)	(1,929)
Remeasurements of defined benefit plans	(7,811)	1,480
Share of equity method affiliated companies	(103)	—
Total other comprehensive income	(17,121)	(20)
Comprehensive income	(10,605)	(3,520)
(Breakdown)		
Comprehensive income attributable to owners of parent	(10,776)	(4,172)
Comprehensive income attributable to non-controlling interests	170	652

(Unit: Million yen)

**Consolidated statement of cash flows**  
**(Years ended March 31, 2017 and 2016)**

	FY 2016	FY 2017
<b>Cash flows from operating activities</b>		
Income before income taxes	11,719	9,882
Depreciation	19,722	20,311
Impairment loss	1,477	93
Amortization of goodwill	35	33
Increase (Decrease) in allowance for doubtful accounts	11	120
Increase (Decrease) in accrued bonuses to employees	172	484
Increase (Decrease) in accrued bonuses to directors	(75)	(42)
Increase (Decrease) in provision for accrued product warranty	8,799	(16,284)
Increase (Decrease) in retirement allowances for directors and corporate auditors	(202)	(29)
Increase (Decrease) in net defined benefit liability	(580)	1,676
Increase (Decrease) in net defined benefit asset	(1,876)	(1,100)
Interest and dividend income	(790)	(840)
Interest expenses	116	74
Equity in earnings of affiliated companies	(302)	19
Foreign exchange gain or losses	321	(15)
Loss on sales of investment securities	—	(597)
Gain on sales of property, plant and equipment	323	186
Increase (Decrease) in notes and accounts receivable	(2,357)	(2,466)
Increase (Decrease) in inventories	6,424	(1,327)
Increase (Decrease) in notes and accounts payable	761	4,081
Increase (Decrease) in consumption taxes payable	(197)	(102)
Others	(15,014)	23,364
Net	28,487	37,521
Interest and dividend income received	964	947
Interest expenses paid	(112)	(72)
Income taxes paid	(8,591)	(4,898)
Net cash provided by operating activities	20,747	33,497
<b>Cash flows from investing activities</b>		
Proceeds from sales of marketable securities	8,506	11,760
Purchases of tangible fixed assets	(27,757)	(22,722)
Proceeds from sales of tangible fixed assets	104	70
Purchases of investment securities	(2,210)	(203)
Proceeds from sales of investment securities	44	1,256
Purchase of shares of subsidiaries and associates	(95)	—
Disbursement for originating loans	(262)	(237)
Proceeds from collections of loans	273	251
Others	(949)	(1,782)
Net cash used in investing activities	(22,347)	(11,606)
<b>Cash flows from financing activities</b>		
Increase (Decrease) in short-term borrowings, net	(1,455)	(162)
Decrease in long-term borrowings	(174)	(908)
Lease liabilities paid	(125)	(93)
Dividend paid	(5,736)	(5,470)
Dividend paid to non-controlling interests	(840)	(633)
Proceeds from share issuance to non-controlling shareholders	301	196
Purchases of treasury stock	(4)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(61)	(7)
Others	383	60
Net cash provided by financing activities	(7,713)	(7,020)
Effect of foreign currency translation adjustment on cash and cash equivalents	(1,805)	(812)
Net increase (decrease) in cash and cash equivalents	(11,118)	14,057
Cash and cash equivalents, beginning of period	50,432	39,314
Cash and cash equivalents, end of period	39,314	53,372