

Consolidated Financial Statements

(Unit: Million yen)

Consolidated balance sheet

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	57,514	61,566
Notes and accounts receivable	61,154	62,575
Electronically recorded monetary claims - operating	11,715	13,632
Marketable securities	5,510	3,304
Finished goods	12,005	13,927
Work-in-process	17,942	19,215
Raw materials and supplies	5,369	5,797
Deferred tax assets	6,926	6,447
Other current assets	9,161	11,725
Less: Allowance for doubtful accounts	(181)	(69)
Total current assets	187,118	198,122
Noncurrent assets		
Tangible noncurrent assets		
Buildings and structures	82,510	84,804
Accumulated depreciation	(49,313)	(51,763)
Buildings and structures (net)	33,196	33,041
Machinery and vehicle	136,956	141,900
Accumulated depreciation	(104,747)	(110,478)
Machinery and vehicle (net)	32,209	31,422
Tools and furniture	125,803	130,455
Accumulated depreciation	(112,284)	(117,750)
Tools and furniture (net)	13,518	12,704
Land	13,137	13,175
Tangible lease assets	567	598
Accumulated depreciation	(247)	(331)
Lease assets (net)	320	267
Construction in progress	6,954	8,739
Total tangible noncurrent assets	99,335	99,351
Intangible noncurrent assets		
Goodwill	65	32
Software	2,222	2,241
Others	316	310
Total intangible noncurrent assets	2,603	2,585
Investments and other assets		
Investments securities	34,652	36,176
Long-term loans	398	371
Net defined benefit asset	22,171	24,489
Deferred tax assets	2,717	2,032
Others	19,782	19,865
Less: Allowance for doubtful accounts	(114)	(114)
Total investments and other assets	79,608	82,821
Total noncurrent assets	181,548	184,758
Total	368,666	382,880

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	As of March 31, 2017	As of March 31, 2018
Liabilities and Equity		
Current liabilities		
Notes and accounts payable	40,529	41,080
Electronically recorded obligations - operating	19,169	10,442
Short-term borrowings	1,599	2,071
Long-term borrowings due within a year	606	—
Short-term lease liabilities	101	53
Accrued expenses	35,038	27,467
Income taxes payable	1,557	2,690
Accrued bonuses to employees	7,806	8,372
Accrued bonuses to directors	241	254
Provision for accrued product warranty	6,607	7,811
Others	6,393	7,015
Total current liabilities	119,650	107,259
Noncurrent liabilities		
Bonds payable	—	10,000
Long-term lease liabilities	85	56
Deferred tax liabilities	6,048	7,730
Retirement allowances for directors and corporate auditors	353	358
Net defined benefit liability	24,508	24,849
Long-term asset retirement obligations	144	143
Others	5,532	354
Total noncurrent liabilities	36,673	43,493
Total liabilities	156,323	150,753
Equity		
Shareholders' equity		
Common stock	22,856	22,856
Capital surplus	25,645	25,654
Retained earnings	151,262	167,619
Treasury common stock, at cost	(5,392)	(5,369)
Total shareholders' equity	194,371	210,760
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	4,452	5,629
Foreign currency translation adjustments	(216)	(171)
Remeasurements of defined benefit plans	2,436	3,853
Total accumulated other comprehensive income	6,672	9,311
Stock acquisition rights	28	—
Non-controlling interests	11,270	12,055
Total equity	212,343	232,127
Total	368,666	382,880

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Consolidated statement of income

	Year ended March 31, 2017	Year ended March 31, 2018
Net sales	459,070	481,945
Cost of sales	394,486	414,318
Gross profit	64,583	67,627
Selling, general and administrative expenses	34,061	36,756
Operating income	30,522	30,871
Non-operating income		
Interest income	416	450
Dividend income	423	468
Share of profit of entities accounted for using equity method	—	86
Foreign exchange gain	275	—
Other	672	753
Total non-operating income	1,787	1,757
Non-operating expenses		
Interest expenses	74	50
Share of loss of entities accounted for using equity method	19	—
Foreign exchange loss	—	191
Bond issuance cost	—	62
Other	105	45
Total non-operating expenses	198	350
Ordinary income	32,111	32,278
Extraordinary income		
Gain on sales of non-current assets	45	60
Gain on sales of investment securities	597	—
Reversal of stock acquisition rights	29	21
Total extraordinary income	671	81
Extraordinary loss		
Loss on sales and retirement of non-current assets	254	11
Impairment loss	93	—
Loss on product warranties	10,460	—
Loss on violation of antitrust law	12,092	2,253
Total extraordinary loss	22,900	2,264
Income before income taxes	9,882	30,096
Income taxes current	5,403	5,461
Income taxes deferred	7,978	1,569
Total income taxes	13,382	7,031
Profit	(3,499)	23,064
Profit attributable to non-controlling interests	836	1,050
Profit attributable to owners of parent	(4,336)	22,014

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Consolidated statement of comprehensive income

	Year ended March 31, 2017	Year ended March 31, 2018
Profit	(3,499)	23,064
Other comprehensive income		
Net unrealized gain on available-for-sale securities	428	1,215
Foreign currency translation adjustments	(1,929)	117
Remeasurements of defined benefit plans	1,480	1,402
Total other comprehensive income	(20)	2,736
Comprehensive income	(3,520)	25,800
(Breakdown)		
Comprehensive income attributable to owners of parent	(4,172)	24,652
Comprehensive income attributable to non-controlling interests	652	1,148

(Unit: Million yen)

 Consolidated statement of cash flows

Year ended March 31, 2017

Year ended March 31, 2018

	Year ended March 31, 2017	Year ended March 31, 2018
Cash flows from operating activities		
Income before income taxes	9,882	30,096
Depreciation	20,311	20,937
Impairment loss	93	—
Amortization of goodwill	33	32
Increase (Decrease) in allowance for doubtful accounts	120	(113)
Increase (Decrease) in accrued bonuses to employees	484	542
Increase (Decrease) in accrued bonuses to directors	(42)	13
Increase (Decrease) in provision for accrued product warranty	(16,284)	1,220
Increase (Decrease) in retirement allowances for directors and corporate auditors	(29)	4
Increase (Decrease) in net defined benefit liability	1,676	872
Increase (Decrease) in net defined benefit asset	(1,100)	(1,424)
Interest and dividend income	(840)	(918)
Interest expenses	74	50
Equity in earnings of affiliated companies	19	(86)
Foreign exchange gain or loss	(15)	328
Loss on sales of investment securities	(597)	—
Gain on sales of property, plant and equipment	186	(420)
Increase (Decrease) in notes and accounts receivable	(2,466)	(3,108)
Increase (Decrease) in inventories	(1,327)	(2,412)
Increase (Decrease) in notes and accounts payable	4,081	(8,221)
Increase (Decrease) in consumption taxes payable	(102)	275
Others, net	23,364	(12,187)
Sub-Total	37,521	25,482
Interest and dividend income received	947	938
Interest expenses paid	(72)	(39)
Income taxes paid	(4,898)	(5,555)
Net cash provided by operating activities	33,497	20,826
Cash flows from investing activities		
Proceeds from sales of marketable securities	11,760	5,500
Purchases of tangible fixed assets	(22,722)	(21,726)
Proceeds from sales of tangible fixed assets	70	62
Purchases of investment securities	(203)	(3,026)
Proceeds from sales of investment securities	1,256	2
Disbursement for originating loans	(237)	(421)
Proceeds from collections of loans	251	422
Others, net	(1,782)	(582)
Net cash used in investing activities	(11,606)	(19,769)
Cash flows from financing activities		
Increase (Decrease) in short-term borrowings, net	(162)	344
Decrease in long-term borrowings	(908)	(685)
Proceeds from issuance of bonds	—	10,000
Lease liabilities paid	(93)	(122)
Dividends paid	(5,470)	(5,659)
Dividends paid to non-controlling interests	(633)	(358)
Proceeds from share issuance to non-controlling shareholders	196	—
Purchases of treasury stock	(1)	(2)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(7)	—
Other, net	60	23
Net cash provided by financing activities	(7,020)	3,539
Effect of foreign currency translation adjustments on cash and cash equivalents	(812)	(98)
Net increase (decrease) in cash and cash equivalents	14,057	4,498
Cash and cash equivalents, beginning of period	39,314	53,372
Cash and cash equivalents, end of period	53,372	57,870