

Quarterly consolidated financial statements

Quarterly consolidated balance sheets

(Millions of yen)

| | Fiscal year ended March 2014 (As of March 31, 2014) | Third quarter ending December 2014 (As of December 31, 2014) |
|--|---|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,616 | 5,470 |
| Notes and accounts receivable-trade | 8,631 | 13,353 |
| Merchandise and finished products | 1,278 | 1,165 |
| Work in process | 2,743 | 2,785 |
| Raw materials and supplies | 1,360 | 1,770 |
| Deferred tax assets | 487 | 433 |
| Other | 1,179 | 1,546 |
| Allowance for doubtful accounts | (2) | (2) |
| Total current assets | 20,295 | 26,523 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 3,240 | 3,150 |
| Machinery, equipment and vehicles, net | 4,460 | 4,309 |
| Land | 2,928 | 2,924 |
| Other, net | 353 | 348 |
| Total property, plant and equipment | 10,983 | 10,734 |
| Intangible fixed assets | 323 | 301 |
| Investments and other assets | | |
| Investment securities | 1,403 | 1,619 |
| Deferred tax assets | 1,446 | 1,442 |
| Net defined benefit asset | 28 | 29 |
| Other | 1,367 | 1,393 |
| Allowance for doubtful accounts | (610) | (617) |
| Total investments and other assets | 3,634 | 3,867 |
| Total noncurrent assets | 14,942 | 14,903 |
| Total assets | 35,237 | 41,427 |

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(Millions of yen)

| | Fiscal year ended March 2014 (As of March 31, 2014) | Third quarter ending December 2014 (As of December 31, 2014) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable—trade | 6,665 | 9,882 |
| Electronically recorded monetary claims—operating | 952 | 237 |
| Short-term loans payable | 3,873 | 5,370 |
| Income taxes payable | 151 | 161 |
| Provision for bonuses | 313 | 130 |
| Other | 968 | 1,290 |
| Total current liabilities | 12,925 | 17,073 |
| Noncurrent liabilities | | |
| Long-term loans payable | 4,398 | 4,501 |
| Deferred tax liabilities for land revaluation | 383 | 381 |
| Net defined benefit liabilities | 4,307 | 4,487 |
| Other | 908 | 644 |
| Total noncurrent liabilities | 9,999 | 10,015 |
| Total liabilities | 22,925 | 27,088 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 5,200 | 5,200 |
| Capital surplus | 5,108 | 5,108 |
| Retained earnings | 1,006 | 2,254 |
| Treasury stock | (1,128) | (1,137) |
| Total shareholders' equity | 10,185 | 11,425 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 141 | 333 |
| Deferred gains or losses on hedges | (1) | (1) |
| Revaluation reserve for land | 639 | 635 |
| Foreign currency translation adjustment | 705 | 1,203 |
| Remeasurements of defined benefit plans | (146) | (111) |
| Accumulated other comprehensive income | 1,338 | 2,060 |
| Minority interests | 788 | 853 |
| Total net assets | 12,312 | 14,339 |
| Total liabilities and net assets | 35,237 | 41,427 |

Quarterly consolidated statements of income(cumulative)

(Millions of yen)

| | Third quarter of the year ended March 31 , 2014 (April 1,2013– December 31, 2013) | Third quarter of the year ending March 31 , 2015 (April 1,2014– December 31, 2014) |
|---|--|---|
| Net sales | 32,482 | 35,822 |
| Cost of sales | 28,769 | 31,229 |
| Gross profit | 3,712 | 4,592 |
| Selling, general and administrative expenses | 3,824 | 3,890 |
| Operating income (loss) | (112) | 701 |
| Non-operating income | | |
| Interest income | 41 | 47 |
| Dividends income | 21 | 22 |
| Foreign exchange gains | 386 | 1,107 |
| Other | 250 | 124 |
| Total non-operating income | 699 | 1,302 |
| Non-operating expenses | | |
| Interest expenses | 91 | 82 |
| Shut down cost | 115 | 3 |
| Other | 117 | 72 |
| Total non-operating expenses | 324 | 158 |
| Ordinary income (loss) | 262 | 1,845 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 1 | 2 |
| Gain on sales of investment securities | 12 | 1 |
| Subsidy income | – | 283 |
| Other | 14 | 7 |
| Total extraordinary income | 27 | 296 |
| Extraordinary loss | | |
| Impairment loss | 6 | 5 |
| Loss on sales of noncurrent assets | 13 | 3 |
| Loss on retirement of noncurrent assets | 22 | 5 |
| Loss on valuation of inventories | 42 | – |
| Fixed assets copression loss | – | 283 |
| Loss on business of subsidiaries and affiliates | 132 | – |
| Other | 13 | 45 |
| Total extraordinary loss | 229 | 342 |
| Income before income taxes | 60 | 1,798 |
| Income taxes | 123 | 180 |
| Income before minority interests | (62) | 1,618 |
| Minority interests in income (loss) | (11) | 47 |
| Net income (loss) | (50) | 1,570 |

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Third quarter of the year ended March 31 , 2014 (April 1,2013– December 31, 2013) | Third quarter of the year ending March 31 , 2015 (April 1,2014– December 31, 2014) |
|---|--|---|
| Income before minority interests | (62) | 1,618 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 135 | 191 |
| Deferred gains or losses on hedges | 3 | 0 |
| Remeasurements of defined benefit plans, net of tax | – | 35 |
| Foreign currency translation adjustment | 908 | 519 |
| Total other comprehensive income | 1,048 | 746 |
| Comprehensive income | 985 | 2,365 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 903 | 2,295 |
| Comprehensive income attributable to minority interests | 82 | 69 |