

Consolidated Balance Sheets

As of March 31, 2015 and 2014

millions of yen

Assets	2015	2014
Current assets		
Cash and deposits	¥ 98,140	¥ 89,548
Notes and accounts receivable — trade	184,237	166,739
Short-term investment securities	55,294	47,000
Merchandise and finished goods	11,365	10,451
Work in process	12,201	13,928
Raw materials and supplies	29,239	25,252
Deferred tax assets	5,628	5,324
Other current assets	37,932	32,558
Allowance for doubtful accounts	(564)	(525)
Total current assets	433,475	390,278
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	183,230	170,304
Accumulated depreciation	(98,000)	(85,354)
Buildings and structures, net	85,230	84,949
Machinery, equipment and vehicles	320,268	290,732
Accumulated depreciation	(232,458)	(201,701)
Machinery, equipment and vehicles, net	87,810	89,030
Tools, furniture and fixtures	113,145	108,670
Accumulated depreciation	(99,707)	(95,930)
Tools, furniture and fixtures, net	13,437	12,739
Land	27,845	27,393
Lease assets	3,094	1,973
Accumulated depreciation	(2,948)	(781)
Lease assets, net	146	1,192
Construction in progress	26,728	13,957
Total property, plant and equipment	241,197	229,264
Intangible assets		
Goodwill	556	1,035
Other intangible assets	1,816	1,203
Total intangible assets	2,372	2,238
Investments and other assets		
Investments in securities	16,114	14,669
Deferred tax assets	19,036	15,892
Net defined benefit asset	96	280
Other investments	7,558	6,553
Allowance for doubtful accounts	(171)	(170)
Total investments and other assets	42,634	37,227
Total noncurrent assets	286,204	268,730
Total assets	¥ 719,680	¥ 659,008

● Scope of Consolidation
The consolidated financial statements include the accounts for all subsidiaries.

● Application of the Equity Method
Investments in all affiliates are accounted for by the equity method. The fiscal years for certain affiliates accounted for by the equity method are different from that of the Company. The Company is using the financial statements for their respective fiscal years.

millions of yen

Liabilities and net assets	2015	2014
Current liabilities		
Notes and accounts payable — trade	¥ 177,163	¥ 163,433
Short-term loans payable	39,361	28,607
Current portion of long-term loans payable	39,841	7,291
Accrued expenses	45,326	39,673
Income taxes payable	9,706	5,218
Provision for product warranties	2,030	1,499
Provision for bonuses to directors and corporate auditors	279	259
Other current liabilities	22,016	21,667
Total current liabilities	335,725	267,651
Noncurrent liabilities		
Bonds Payable	20,000	20,000
Long-term loans payable	47,577	80,633
Net defined benefit liability	44,506	35,420
Provision for retirement benefits for directors and corporate auditors	464	496
Asset retirement obligation	288	300
Other noncurrent liabilities	7,079	5,423
Total noncurrent liabilities	119,916	142,275
Total liabilities	455,642	409,926
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	9,096	9,098
Retained earnings	200,026	198,363
Treasury stock	(4,618)	(4,659)
Total shareholders' equity	212,904	211,202
Accumulated other comprehensive income		
Net unrealised gains on other securities	2,119	1,464
Deferred Gains or Losses on Hedges	—	(2)
Foreign currency translation adjustment	7,910	(3,645)
Remeasurements of defined benefit plans	(7,142)	(2,269)
Total accumulated other comprehensive income	2,888	(4,452)
Subscription rights to shares	332	515
Minority interests	47,912	41,816
Total net assets	264,038	249,082
Total liabilities and net assets	¥ 719,680	¥ 659,008

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

For the years ended March 31, 2015 and 2014

Consolidated Statements of Income	millions of yen	
	2015	2014
Net sales	¥ 1,305,502	¥ 1,218,399
Cost of sales	1,189,652	1,112,588
Gross profit	115,850	105,811
Selling, general and administrative expenses		
Transportation and warehousing expenses	8,106	7,740
Salaries and bonuses	31,860	29,061
Welfare expenses	5,199	5,076
Retirement benefit expenses	934	798
Provision for bonuses to directors and corporate auditors	272	248
Provision for directors' retirement benefits	69	97
Taxes and dues	2,367	2,169
Depreciation	3,434	3,266
Research and development expenses	1,628	1,942
Amortisation of goodwill	744	1,151
Other selling, general and administrative expenses	28,840	25,435
Total selling, general and administrative expenses	83,456	76,988
Operating income	32,393	28,823
Non-operating income		
Interest income	1,397	1,498
Dividends income	102	95
Rental income on noncurrent assets	712	672
Equity in net earnings of affiliates	1,117	1,647
Foreign exchange gains	4,363	4,523
Insurance income	—	2,625
Other non-operating income	5,542	5,263
Total non-operating income	13,236	16,328
Non-operating expenses		
Interest expenses	1,808	1,696
Loss on disposal of noncurrent assets	412	578
Depreciation	566	811
Other non-operating expenses	1,750	1,769
Total non-operating expenses	4,538	4,856
Ordinary income	41,091	40,294
Extraordinary loss		
Impairment Loss	13,875	4,364
Loss on business liquidation	2,380	—
Loss on transition to defined contribution pension plan	—	507
Total extraordinary loss	16,256	4,871
Income before income taxes	24,834	35,422
Income taxes—current	15,472	12,427
Income taxes—deferred	(1,084)	2,235
Total income taxes	14,387	14,662
Net income before minority interests	10,447	20,760
Minority interest in net income of subsidiaries	5,242	8,149
Net income	¥ 5,204	¥ 12,610
Consolidated Statements of Comprehensive Income		
Net income before minority interests	¥ 10,447	¥ 20,760
Other comprehensive income		
Net unrealised gains (losses) on other securities	677	226
Deferred gains or losses on hedges	1	(2)
Foreign currency translation adjustments	14,911	15,613
Net defined benefit asset	(4,840)	—
Amount corresponding to equity interest in equity method affiliates	388	963
Total other comprehensive income	11,137	16,800
Comprehensive income	21,585	37,560
(Breakdown)		
Comprehensive income attributable to parent company shareholders	12,545	25,277
Comprehensive income attributable to minority shareholders	9,039	12,283

Consolidated Statements of Changes in Net Assets

For the years ended March 31, 2015 and 2014

millions of yen

	2015	2014
Shareholders' equity		
Capital stock		
Balance at beginning of year	¥ 8,400	¥ 8,400
Restated balance	8,400	8,400
Changes of items during the year		
Total changes of items during the year	—	—
Balance at end of year	8,400	8,400
Capital surplus		
Balance at beginning of year	9,098	9,098
Restated balance	9,098	9,098
Changes of items during the year		
Disposal of treasury stock	(1)	(0)
Total changes of items during the year	(1)	(0)
Balance at end of year	9,096	9,098
Retained earnings		
Balance at beginning of year	198,363	189,273
Cumulative effects of changes in accounting policies	(206)	
Restated balance	198,157	189,273
Changes of items during the year		
Dividends from surplus	(3,335)	(3,520)
Net income	5,204	12,610
Total changes of items during the year	1,868	9,089
Balance at end of year	200,026	198,363
Treasury stock		
Balance at beginning of year	(4,659)	(4,675)
Restated balance	(4,659)	(4,675)
Changes of items during the year		
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	41	17
Total changes of items during the year	40	16
Balance at end of year	(4,618)	(4,659)
Total shareholders' equity		
Balance at beginning of year	211,202	202,096
Cumulative effects of changes in accounting policies	(206)	
Restated balance	210,996	202,096
Changes of items during the year		
Dividends from surplus	(3,335)	(3,520)
Net income	5,204	12,610
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	39	16
Total changes of items during the year	1,907	9,106
Balance at end of year	¥ 212,904	¥ 211,202

millions of yen

	2015	2014
Accumulated other comprehensive income		
Net unrealised gains on other securities		
Balance at beginning of year	¥ 1,464	¥ 1,233
Restated balance	1,464	1,233
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	655	231
Total changes of items during the year	655	231
Balance at end of year	2,119	1,464
Deferred gains or losses on hedges		
Balance at beginning of year	(2)	—
Restated balance	(2)	—
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	2	(2)
Total changes of items during the year	2	(2)
Balance at end of year	—	(2)
Foreign currency translation adjustment		
Balance at beginning of year	(3,645)	(16,083)
Restated balance	(3,645)	(16,083)
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	11,555	12,438
Total changes of items during the year	11,555	12,438
Balance at end of year	7,910	(3,645)
Remeasurements of defined benefit plans		
Balance at beginning of year	(2,269)	—
Restated balance	(2,269)	—
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	(4,872)	(2,269)
Total changes of items during the year	(4,872)	(2,269)
Balance at end of year	(7,142)	(2,269)
Total accumulated other comprehensive income		
Balance at beginning of year	(4,452)	(14,849)
Restated balance	(4,452)	(14,849)
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	7,341	10,396
Total changes of items during the year	7,341	10,396
Balance at end of year	2,888	(4,452)
Subscription rights to shares		
Balance at beginning of year	515	802
Restated balance	515	802
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	(182)	(287)
Total changes of items during the year	(182)	(287)
Balance at end of year	332	515

millions of yen

	2015	2014
Minority interests		
Balance at beginning of year	41,816	32,690
Cumulative effects of changes in accounting policies	(8)	
Restated balance	41,808	32,690
Changes of items during the year		
Net changes of items other than shareholders' equity during the year	6,104	9,126
Total changes of items during the year	6,104	9,126
Balance at end of year	47,912	41,816
Total net assets		
Balance at beginning of year	249,082	220,740
Cumulative effects of changes in accounting policies	(214)	
Restated balance	248,867	220,740
Changes of items during the year		
Dividends from surplus	(3,335)	(3,520)
Net income	5,204	12,610
Purchase of treasury stock	(0)	(0)
Disposal of treasury stock	39	16
Net changes of items other than shareholders' equity during the year	13,262	19,235
Total changes of items during the year	15,170	28,341
Balance at end of year	¥ 264,038	¥ 249,082

Consolidated Statements of Cash Flows

For the years ended March 31, 2015 and 2014

millions of yen

	2015	2014
Cash flows from operating activities		
Income before income taxes	¥ 24,834	¥ 35,422
Depreciation and amortisation	40,121	36,302
Impairment Loss	13,875	4,364
Loss on business liquidation	2,380	—
Amortisation of negative goodwill	744	1,151
Increase (decrease) in Retirement Liability	1,828	2,413
Interest and dividends income	(1,499)	(1,594)
Interest expenses	1,808	1,696
Foreign exchange (gain) loss	(1,628)	(2,694)
Equity in (earnings) losses of affiliates	(1,117)	(1,647)
(Gain) loss on sales of property, plant and equipment	(238)	(37)
(Increase) decrease in trade notes and accounts receivable	2,026	(12,195)
(Increase) decrease in inventories	(290)	(6,645)
(Increase) decrease in accounts receivable—other	(2,413)	(196)
Increase (decrease) in notes and accounts payable—trade	(3,926)	6,017
Increase (decrease) in accounts payable—other	1,170	1,698
Increase (decrease) in accrued expenses	3,274	1,891
Others	(4,693)	(3,212)
Sub-total	76,258	62,734
Interest and dividend income received	2,816	2,941
Interest expenses paid	(1,859)	(1,645)
Income taxes paid	(11,678)	(14,441)
Net cash provided by operating activities	65,536	49,590
Cash flows from investing activities		
Proceeds from sales of securities	—	15
Purchase of property, plant and equipment	(54,962)	(51,112)
Proceeds from sales of property, plant and equipment	2,849	3,687
Purchase of investments in securities	(82)	(154)
Purchase of subsidiaries' shares resulting in changes in scope of consolidation	—	3,505
Payments of loans receivable	(150)	(71)
Collection of loans receivable	97	85
Payments into time deposits	(1,228)	(8,551)
Proceeds from withdrawal of time deposits	1,306	1,314
Proceeds from sale of stocks of subsidiaries	1,118	92
Others	(563)	(677)
Net cash provided by (used in) investing activities	(51,615)	(51,867)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	9,036	611
Proceeds from long-term loans payable	6,361	2,613
Repayments of long-term loans payable	(6,677)	(19,827)
Proceeds from Issuance of Bonds	—	20,000
Cash dividends paid	(3,335)	(3,513)
Cash dividends paid to minority shareholders	(4,476)	(5,408)
Others	(391)	(110)
Net cash provided by (used in) financing activities	516	(5,636)
Effect of exchange rate change on cash and cash equivalents	2,407	5,238
Net increase (decrease) in cash and cash equivalents	16,845	(2,675)
Cash and cash equivalents at beginning of year	126,648	129,323
Cash and cash equivalents at end of year	¥ 143,493	¥ 126,648