

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2019
(October 1, 2018 - September 30, 2019)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	56,000	(1.5)	5,600	(14.4)	5,600	(15.9)	4,000	(4.9)	488.44

Note : Revisions of the Consolidated forecast since the latest announcement: No

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Adoption of simplified accounting treatment for quarterly closing: Yes

(3) Changes in accounting treatment for quarterly consolidated financial statement:

1) Changes caused by revision of accounting standards: None

2) Other changes: None

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period (incl. treasury stock)

Mar. 2019: 8,615,269 shares Sept. 2018: 8,615,269 shares

2) Number of treasury stock at the end of the period

Mar. 2019: 523,691 shares Sept. 2018: 423,532 shares

3) Average number of shares in the fiscal year

Mar. 2019: 8,116,408 shares Mar. 2018: 8,186,692 shares

* This quarterly consolidated financial statements is not subject to quarterly review procedures.

* Explanation regarding appropriate use of earnings forecasts and other special notes

Note : The forecasts above are based on currently available information at the time of announcement. Actual results may differ from these forecasts for a number of factors.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

	As of September 30, 2018	As of March 31, 2019
Assets		
Current Assets		
Cash and deposits	20,087	18,326
Notes and accounts receivable-trade	12,329	12,996
Finished goods	2,984	2,518
Work in process	2,861	3,155
Raw materials and supplies	2,026	1,811
Other	940	923
Allowance for doubtful accounts	(154)	(114)
Total Current Assets	41,074	39,617
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	17,067	16,683
Machinery, equipment and vehicles	11,113	10,566
Land	5,019	4,927
Construction in progress	193	610
Other	2,111	2,155
Accumulated depreciation and impairment loss	(17,493)	(17,077)
Total property, plant and equipment	18,012	17,866
Intangible assets		
Goodwill	71	47
Other	229	260
Total intangible assets	301	308
Investments and other assets		
Investment securities	1,874	1,318
Deferred tax assets	743	811
Other	218	190
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,828	2,313
Total Non-Current Assets	21,142	20,487
Total Assets	62,216	60,105

(Millions of Yen)

	As of September 30, 2018	As of March 31, 2019
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	6,718	6,170
Current portion of long-term loans payable	460	148
Accrued expenses	3,017	2,356
Income taxes payable	858	449
Advances received	4,861	5,060
Provision for bonuses	480	345
Provision for directors' bonuses	71	58
Provision for product warranties	782	787
Provision for point card certificates	61	44
Provision for loss on factory reconstruction	117	21
Other	1,760	1,982
Total Current Liabilities	19,191	17,425
Non-Current Liabilities		
Long-term loans payable	1,196	1,122
Provision for loss on factory reconstruction	86	87
Net defined benefit liability	4,177	4,029
Deferred tax liabilities	173	219
Other	91	82
Total Non-Current Liabilities	5,725	5,541
Total Liabilities	24,917	22,966
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,124	5,124
Retained earnings	22,901	24,776
Treasury stock	(1,870)	(2,403)
Total Shareholders' Equity	40,651	41,993
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	426	120
Deferred gains or losses on hedges	(71)	(34)
Foreign currency translation adjustment	(3,257)	(4,538)
Remeasurements of defined benefit plans	(534)	(495)
Total accumulated other comprehensive income	(3,436)	(4,947)
Subscription rights to shares	84	92
Total Net Assets	37,299	37,138
Total Liabilities and Net Assets	62,216	60,105

(2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2017 - Mar. 31, 2018	Oct. 1, 2018- Mar. 31, 2019
Net sales	27,162	28,299
Cost of sales	17,161	18,002
Gross profit	10,001	10,296
Selling, general and administrative expenses	6,865	7,017
Operating profit	3,136	3,279
Non-operating income		
Interest income	11	27
Dividend income	12	15
Equity in earnings of affiliates	25	38
Gain on valuation of derivatives	0	41
Other	31	33
Total non-operating Income	82	156
Non-operating expenses		
Interest expenses	6	24
Foreign exchange losses	61	24
Other	31	19
Total non-operating Expenses	99	68
Ordinary profit	3,118	3,367
Extraordinary income		
Gain on sales of non-current assets	16	34
Gain on sales of investment securities	—	5
Total extraordinary income	16	40
Extraordinary losses		
Loss on sales and retirement of non-current assets	10	47
Provision for loss on factory reconstruction	—	31
Total extraordinary loss	10	78
Income before income taxes	3,123	3,328
Income taxes	1,191	962
Net income	1,932	2,366
Profit attributable to owners of parent	1,932	2,366

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2017 - Mar. 31, 2018	Oct. 1, 2018 - Mar. 31, 2019
Net income	1,932	2,366
Other comprehensive income		
Valuation difference on available-for-sale securities	64	(305)
Deferred gains or losses on hedges	(15)	36
Foreign currency translation adjustment	(593)	(1,281)
Remeasurements of defined benefit plans, net of tax	20	39
Total other comprehensive income	(524)	(1,511)
Comprehensive income	1,407	854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,407	854
Comprehensive income attributable to minority interests	—	—

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

	Oct. 1, 2017 - Mar. 31, 2018	Oct. 1, 2018 - Mar. 31, 2019
Cash flows from operating activities;		
Income before income taxes	3,123	3,328
Depreciation and amortization	540	554
Amortization of goodwill	21	21
Increase (decrease) in allowance for doubtful accounts	(1)	(34)
Increase (decrease) in provision for bonuses	(95)	(135)
Increase (decrease) in provision for directors' bonuses	(15)	(12)
Increase (decrease) in provision for product warranties	(120)	41
Increase (decrease) in provision for point card certificates	4	(17)
Increase (decrease) in provision for loss on factory reconstruction	(20)	(95)
Increase (decrease) in net defined benefit liability	(21)	(34)
Interest and dividends income	(24)	(42)
Interest expenses	6	24
Equity in (earnings) losses of affiliates	(25)	(38)
Loss (gain) on valuation of derivatives	(0)	(41)
Loss (gain) on sales and retirement of non-current assets	(5)	12
Decrease (increase) in notes and accounts receivable-trade	(1,057)	(1,013)
Decrease (increase) in inventories	(925)	100
Increase (decrease) in notes and accounts payable-trade	857	(333)
Increase (decrease) in advances received	1,189	385
Increase (decrease) in accrued expenses	(346)	(525)
Other	93	(3)
Sub total	3,177	2,140
Interests and dividends income received	23	192
Interest expenses paid	(6)	(24)
Income taxes paid	(1,352)	(1,403)
Net cash provided by (used in) operating activities	1,842	905
Cash flows from investing activities;		
Payments into time deposits	(147)	(1)
Proceeds from withdrawal of time deposit	263	195
Proceeds from sales of property, plant and Equipment	16	76
Purchase of property, plant and equipment	(507)	(661)
Proceeds from sales of investment securities	—	19
Purchase of intangible assets	(45)	(71)
Other	(6)	(13)
Net cash provided by (used in) investing activities	(426)	(457)
Cash flows from financing activities;		
Repayment of long-term loans payable	(165)	(376)
Purchase of treasury shares	—	(532)
Cash dividends paid	(408)	(491)
Other	(6)	—
Net cash provided by (used in) financing activities	(581)	(1,401)
Effect of exchange rate change on cash and cash equivalents	(307)	(606)
Net increase (decrease) in cash and cash equivalents	527	(1,559)
Cash and cash equivalents at beginning of period	16,837	19,766
Cash and cash equivalents at end of period	17,365	18,206