



3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2017  
(October 1, 2016 - September 30, 2017)

(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 | 45,000      | 0.8 | 3,750            | 2.5 | 3,750           | 0.9 | 2,550                                   | 0.8 | 304.58             |

Note(1) : Revisions of the Consolidated forecast since the latest announcement: No

(2) : The consolidated forecasts for earnings per share for the Full year above, takes into account the impact of the common share consolidation. (If the common share consolidation is not taken into account, the amount is 60.92 yen). For details, please see "Explanation regarding appropriate use of earnings forecasts and other special notes."

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. 2017: 8,615,269 shares                      Sept. 2016: 8,615,269 shares

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

Mar. 2017: 243,735 shares                      Sept. 2016: 244,327 shares

3) Average number of shares in the fiscal year

Mar. 2017: 8,371,347 shares                      Mar. 2016: 8,372,633 shares

Note : The Company carried out a one-for-five common share consolidation with an effective date of April 1, 2017. In accordance with it, average number of shares are calculated based on the assumption that the common share consolidation had been carried out at the beginning of the previous final year.

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

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

Note(1) : 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.

(2) : The Company carried out a one-for-five common share consolidation with an effective date of April 1, 2017. In accordance with a resolution of the 72th Ordinary General Meeting of Shareholders held on December 20, 2016. In addition, the company carried out the change of number of shares ( from 1,000 shares to 100 shares ) on the same date. Dividend forecasts and consolidated forecasts for year ending September 30, 2017 without taking into account the common share consolidation are as follows.

1. Dividend forecasts for year ending September 30, 2017

Dividends per share

At end of fiscal year 7.50 yen

2. Consolidated forecasts for year ending September 30, 2017

Earnings per share

As of September 30, 2017 60.92 yen

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of Yen)

|  | As of September 30, 2016 | As of March 31, 2017 |
|--|--------------------------|----------------------|
| <b>Assets</b>                              |                          |                      |
| <b>Current Assets</b>                      |                          |                      |
| Cash and deposits                          | 12,642                   | 15,185               |
| Notes and accounts receivable-trade        | 10,595                   | 10,996               |
| Finished goods                             | 1,212                    | 1,669                |
| Work in process                            | 2,649                    | 2,738                |
| Raw materials and supplies                 | 2,031                    | 2,119                |
| Deferred tax assets                        | 486                      | 538                  |
| Others                                     | 707                      | 872                  |
| Allowance for doubtful accounts            | (163)                    | (147)                |
| <b>Total Current Assets</b>                | <b>30,162</b>            | <b>33,972</b>        |
| <b>Non-Current Assets</b>                  |                          |                      |
| <b>Property, plant and equipment</b>       |                          |                      |
| Buildings and structures (net)             | 15,501                   | 15,997               |
| Machinery, equipment and vehicles (net)    | 9,007                    | 9,756                |
| Land                                       | 4,296                    | 4,359                |
| Construction in progress                   | 64                       | 275                  |
| Other (net)                                | 1,768                    | 1,935                |
| Accumulated depreciation & Impairment Loss | (15,109)                 | (16,063)             |
| <b>Total property, plant and equipment</b> | <b>15,528</b>            | <b>16,260</b>        |
| <b>Intangible assets</b>                   |                          |                      |
| Goodwill                                   | 153                      | 133                  |
| Other                                      | 190                      | 187                  |
| <b>Total intangible assets</b>             | <b>343</b>               | <b>320</b>           |
| <b>Investments and other assets</b>        |                          |                      |
| Investment securities                      | 1,094                    | 1,333                |
| Deferred tax assets                        | 515                      | 480                  |
| Other                                      | 245                      | 209                  |
| Allowance for doubtful accounts            | (9)                      | (9)                  |
| <b>Total investments and other assets</b>  | <b>1,845</b>             | <b>2,013</b>         |
| <b>Total Non-Current Assets</b>            | <b>17,717</b>            | <b>18,594</b>        |
| <b>TOTAL ASSETS</b>                        | <b>47,880</b>            | <b>52,567</b>        |

(Millions of Yen)

|   | As of September 30, 2016 | As of March 31, 2017 |
|---|--------------------------|----------------------|
| Liability   |                          |                      |
| Current Liabilities                                   |                          |                      |
| Notes and accounts payable-trade                      | 4,202                    | 5,221                |
| Current portion of long-term loans payable            | 987                      | 932                  |
| Accrued expenses                                      | 1,961                    | 1,851                |
| Income taxes payable                                  | 551                      | 428                  |
| Deferred tax liabilities                              | 28                       | 111                  |
| Advances received                                     | 3,224                    | 4,551                |
| Provision for bonuses                                 | 409                      | 323                  |
| Provision for directors' bonuses                      | 58                       | 45                   |
| Provision for product warranties                      | 609                      | 543                  |
| Provision for point card certificates                 | 47                       | 56                   |
| Other   | 1,111                    | 1,071                |
| Total Current Liabilities                             | 13,193                   | 15,139               |
| Non-Current Liabilities                               |                          |                      |
| Long-term loans payable                               | 1,902                    | 1,766                |
| Net defined benefit liability                         | 3,928                    | 4,169                |
| Deferred tax liabilities                              | —                        | 25                   |
| Other   | 165                      | 169                  |
| Total Non-Current Liabilities                         | 5,996                    | 6,129                |
| Total Liabilities                                     | 19,190                   | 21,269               |
| Net Assets  |                          |                      |
| Shareholders' Equity                                  |                          |                      |
| Capital stock   | 14,496                   | 14,496               |
| Capital surplus                                       | 5,148                    | 5,146                |
| Legal retained earnings                               | 16,674                   | 17,891               |
| Treasury stock  | (918)                    | (916)                |
| Total Shareholders' Equity                            | 35,400                   | 36,618               |
| Valuation and translation adjustments                 |                          |                      |
| Valuation difference on available-for-sale securities | (97)                     | 86                   |
| Deferred gains or losses on hedges                    | 9                        | (4)                  |
| Foreign currency translation adjustment               | (6,133)                  | (4,919)              |
| Remeasurements of defined benefit plans               | (576)                    | (576)                |
| Total valuation and translation adjustments           | (6,798)                  | (5,413)              |
| Subscription rights to shares                         | 88                       | 94                   |
| Total Net Assets                                      | 28,690                   | 31,298               |
| Total Liabilities and Net Assets                      | 47,880                   | 52,567               |

## (2) Consolidated Statements of Income

(Millions of Yen)

|  | Oct. 1, 2015 - Mar. 31, 2016 | Oct. 1, 2016- Mar. 31, 2017 |
|--|------------------------------|-----------------------------|
| Net sales  | 21,221                       | 23,087                      |
| Cost of sales                                      | 13,655                       | 14,672                      |
| Gross profit                                       | 7,565                        | 8,415                       |
| Selling, general and administrative expenses       | 6,172                        | 6,243                       |
| Operating profit                                   | 1,393                        | 2,171                       |
| Non-operating income                               |                              |                             |
| Interest income                                    | 21                           | 9                           |
| Dividends income                                   | 11                           | 11                          |
| Equity in earnings of affiliates                   | 8                            | 14                          |
| Foreign exchange gains                             | —                            | 129                         |
| Gain on reversal of Litigation expense             | 32                           | —                           |
| Other  | 42                           | 25                          |
| Total non-operating Income                         | 117                          | 189                         |
| Non-operating expenses                             |                              |                             |
| Interest expenses                                  | 18                           | 9                           |
| Foreign exchange losses                            | 28                           | —                           |
| Loss on valuation of derivatives                   | 53                           | 22                          |
| Others   | 34                           | 27                          |
| Total non-operating Expenses                       | 134                          | 59                          |
| Ordinary profit                                    | 1,376                        | 2,301                       |
| Extraordinary income                               |                              |                             |
| Gain on sales of non-current assets                | 59                           | 10                          |
| Total extraordinary income                         | 59                           | 10                          |
| Extraordinary loss                                 |                              |                             |
| Loss on sales and retirement of non-current assets | 7                            | —                           |
| Total extraordinary loss                           | 7                            | —                           |
| Income (loss) before income taxes                  | 1,428                        | 2,312                       |
| Income taxes                                       | 469                          | 676                         |
| Net income (loss)                                  | 959                          | 1,635                       |
| Profit (loss) attributable to owners of parent     | 959                          | 1,635                       |

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

|   | Oct. 1, 2015 - Mar. 31, 2016 | Oct. 1, 2016 - Mar. 31, 2017 |
|---|------------------------------|------------------------------|
| Income before minority interests                          | 959                          | 1,635                        |
| Other comprehensive income                                |                              |                              |
| Valuation difference on available-for-sale securities     | (250)                        | 184                          |
| Deferred gains or losses on hedges                        | 44                           | (13)                         |
| Foreign currency translation adjustment                   | (1,137)                      | 1,214                        |
| Remeasurements of defined benefit plans                   | 48                           | (0)                          |
| Total other comprehensive income                          | (1,293)                      | 1,384                        |
| Comprehensive income                                      | (334)                        | 3,020                        |
| Comprehensive income attributable to                      |                              |                              |
| Comprehensive income attributable to owners of the parent | (334)                        | 3,020                        |
| Comprehensive income attributable to minority interests   | —                            | —                            |

## (4) Consolidated Statements of Cash Flows

(Millions of Yen)

|  | Oct. 1, 2015 - Mar. 31, 2016 | Oct. 1, 2016 - Mar. 31, 2017 |
|--|------------------------------|------------------------------|
| Cash flows from operating activities;                        |                              |                              |
| Income before income taxes                                   | 1,428                        | 2,312                        |
| Depreciation and amortization                                | 507                          | 488                          |
| Amortization of goodwill                                     | 24                           | 21                           |
| Increase (decrease) in allowance for doubtful accounts       | 39                           | (24)                         |
| Increase (decrease) in provision for bonuses                 | (41)                         | (86)                         |
| Increase (decrease) in provision for directors' bonuses      | (18)                         | (13)                         |
| Increase (decrease) in provision for product warranties      | 53                           | (102)                        |
| Increase (decrease) in provision for point card certificates | 5                            | 8                            |
| Increase (decrease) in net defined benefit liability         | 99                           | 160                          |
| Interest and dividends income                                | (33)                         | (20)                         |
| Interest expenses  | 18                           | 9                            |
| Equity in (earnings) losses of affiliates                    | (8)                          | (14)                         |
| Loss (gain) on valuation of derivatives                      | 53                           | 22                           |
| Loss (gain) on sales and retirement of non-current assets    | (52)                         | (10)                         |
| Decrease (increase) in notes and accounts receivable-trade   | 525                          | 107                          |
| Decrease (increase) in inventories                           | (833)                        | (310)                        |
| Increase (decrease) in notes and accounts payable-trade      | (216)                        | 869                          |
| Increase (decrease) in advances received                     | 1,055                        | 1,080                        |
| Increase (decrease) in accounts payable - other              | (340)                        | (27)                         |
| Increase (decrease) in accrued expenses                      | (247)                        | (237)                        |
| Other  | (282)                        | (215)                        |
| Sub total  | 1,733                        | 4,018                        |
| Interests and dividends income received                      | 35                           | 19                           |
| Interest expenses paid                                       | (18)                         | (9)                          |
| Income taxes paid  | (285)                        | (924)                        |
| Net cash provided by (used in) operating activities          | 1,465                        | 3,103                        |
| Cash flows from investing activities;                        |                              |                              |
| Payments into time deposits                                  | —                            | (932)                        |
| Proceeds from redemption of securities                       | 120                          | —                            |
| Purchase of securities                                       | (177)                        | (0)                          |
| Proceeds from sales of property, plant and Equipment         | 126                          | 21                           |
| Purchase of property, plant and equipment                    | (279)                        | (415)                        |
| Purchase of intangible assets                                | (34)                         | (46)                         |
| Collection of short-term loans receivable                    | 879                          | —                            |
| Proceeds from sales of shares of subsidiaries                | 443                          | —                            |
| Other  | 5                            | —                            |
| Net cash provided by (used in) investing activities          | 1,083                        | (1,374)                      |

(Millions of Yen)

|   | Oct. 1, 2015 - Mar. 31, 2016 | Oct. 1, 2016 - Mar. 31, 2017 |
|---|------------------------------|------------------------------|
| Cash flows from financing activities;                       |                              |                              |
| Net increase (decrease) in short-term loans payable         | 39                           | —                            |
| Proceeds from long-term loans payable                       | 1,400                        | —                            |
| Repayment of long-term loans payable                        | (1,715)                      | (215)                        |
| Cash dividends paid   | (313)                        | (418)                        |
| Other   | (2)                          | (3)                          |
| Net cash provided by (used in) financing activities         | (592)                        | (636)                        |
| Effect of exchange rate change on cash and cash equivalents | (366)                        | 469                          |
| Net increase (decrease) in cash and cash equivalents        | 1,589                        | 1,562                        |
| Cash and cash equivalents at beginning of period            | 10,007                       | 12,560                       |
| Cash and cash equivalents at end of period                  | 11,597                       | 14,122                       |