

3. Consolidated Forecasts for the Fiscal Year Ending September 30, 2020
(October 1, 2019 - September 30, 2020)

(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
1st Half	24,000	(15.2)	1,200	(63.4)	1,200	(64.4)	800	(66.2)	98.72
Full Year	54,500	(1.6)	5,000	(15.5)	5,000	(18.0)	3,300	(21.1)	407.21

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 in accounting policies due to the revision of accounting standards: Yes

Note: "Leases" has been applied to consolidated subsidiaries applying IFRS from the beginning of the current fiscal year.

2) Changes in accounting policies other than 1) above: Yes

Note: ASBJ Statement No. 29 (Accounting Standard for Revenue Recognition) has been applied to consolidated companies in Japan from the beginning of the current fiscal year.

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Number of shares outstanding (common stock)

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

Dec. 2019: 8,615,269 shares Sept. 2019: 8,615,269 shares

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

Dec. 2019: 522,094 shares Sept. 2019: 523,859 shares

3) Average number of shares in the fiscal year

Dec. 2019: 8,093,201 shares Dec. 2018: 8,140,638 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, 2019	As of December 31, 2019
Assets		
Current Assets		
Cash and deposits	15,867	16,933
Notes and accounts receivable-trade	12,236	13,568
Securities	1,999	—
Finished goods	2,516	2,622
Work in process	3,198	2,944
Raw materials and supplies	1,764	1,919
Other	1,197	1,337
Allowance for doubtful accounts	(156)	(170)
Total Current Assets	38,623	39,156
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	16,305	16,643
Machinery, equipment and vehicles	10,490	10,985
Land	4,845	4,901
Construction in progress	2,058	3,115
Other	2,028	2,164
Accumulated depreciation and impairment loss	(16,858)	(17,514)
Total property, plant and equipment	18,868	20,295
Intangible assets		
Goodwill	24	25
Other	278	295
Total intangible assets	303	320
Investments and other assets		
Investment securities	1,355	1,420
Deferred tax assets	795	696
Other	173	166
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,317	2,275
Total Non-Current Assets	21,490	22,892
Total Assets	60,113	62,048

(Millions of Yen)

	As of September 30, 2019	As of December 31, 2019
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	6,460	5,933
Current portion of long-term loans payable	142	161
Accrued expenses	2,508	1,902
Income taxes payable	312	126
Advances received	4,326	5,418
Provision for bonuses	474	175
Provision for directors' bonuses	75	27
Provision for product warranties	685	651
Provision for point card certificates	37	—
Provision for loss on factory reconstruction	86	86
Other	2,530	3,011
Total Current Liabilities	17,641	17,493
Non-Current Liabilities		
Long-term loans payable	1,040	1,502
Net defined benefit liability	4,422	4,522
Deferred tax liabilities	92	124
Other	85	131
Total Non-Current Liabilities	5,639	6,281
Total Liabilities	23,281	23,775
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,124	5,122
Retained earnings	26,147	26,561
Treasury stock	(2,404)	(2,395)
Total Shareholders' Equity	43,363	43,784
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	140
Deferred gains or losses on hedges	(24)	8
Foreign currency translation adjustment	(5,916)	(4,944)
Remeasurements of defined benefit plans	(794)	(816)
Total accumulated other comprehensive income	(6,633)	(5,612)
Subscription rights to shares	102	97
Non-controlling interests	—	3
Total Net Assets	36,832	38,273
Total Liabilities and Net Assets	60,113	62,048

(2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2018 - Dec. 31, 2018	Oct. 1, 2019- Dec. 31, 2019
Net sales	14,086	13,170
Cost of sales	8,962	8,442
Gross profit	5,124	4,727
Selling, general and administrative expenses	3,592	3,788
Operating profit	1,532	939
Non-operating income		
Interest income	12	16
Dividend income	8	7
Equity in earnings of affiliates	29	14
Foreign exchange gains	—	5
Gain on valuation of derivatives	21	12
Other	14	14
Total non-operating Income	86	69
Non-operating expenses		
Interest expenses	21	2
Foreign exchange losses	2	—
Other	13	7
Total non-operating Expenses	38	10
Ordinary profit	1,580	999
Extraordinary income		
Gain on sales of non-current assets	33	0
Gain on sales of investment securities	5	—
Total extraordinary income	38	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	23	0
Total extraordinary loss	23	0
Income before income taxes	1,595	998
Income taxes	473	284
Net income	1,122	713
Loss attributable to non-controlling interests	—	(0)
Profit attributable to owners of parent	1,122	714

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2018 - Dec. 31, 2018	Oct. 1, 2019 - Dec. 31, 2019
Net income	1,122	713
Other comprehensive income		
Valuation difference on available-for-sale securities	(332)	38
Deferred gains or losses on hedges	26	33
Foreign currency translation adjustment	(939)	971
Remeasurements of defined benefit plans, net of tax	25	(21)
Total other comprehensive income	(1,219)	1,021
Comprehensive income	(97)	1,735
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(97)	1,735
Comprehensive income attributable to non-controlling interests	—	(0)