

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
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

No revision has been made to the consolidated forecast since the potential impact of the novel coronavirus outbreak is unclear.

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)

June. 2020: 8,615,269 shares Sept. 2019: 8,615,269 shares

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

June. 2020: 522,667 shares Sept. 2019: 523,859 shares

3) Average number of shares in the fiscal year

June. 2020: 8,092,944 shares June. 2019: 8,108,106 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 June 30, 2020
Assets		
Current Assets		
Cash and deposits	15,867	16,208
Notes and accounts receivable-trade	12,236	13,043
Securities	1,999	—
Finished goods	2,516	2,447
Work in process	3,198	4,412
Raw materials and supplies	1,764	2,206
Other	1,197	1,239
Allowance for doubtful accounts	(156)	(154)
Total Current Assets	38,623	39,402
Non-Current Assets		
Property, plant and equipment		
Buildings and structures	16,305	19,879
Machinery, equipment and vehicles	10,490	11,369
Land	4,845	4,952
Construction in progress	2,058	522
Other	2,028	2,345
Accumulated depreciation and impairment loss	(16,858)	(17,878)
Total property, plant and equipment	18,868	21,191
Intangible assets		
Goodwill	24	171
Other	278	376
Total intangible assets	303	548
Investments and other assets		
Investment securities	1,355	1,318
Deferred tax assets	795	690
Other	173	180
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	2,317	2,183
Total Non-Current Assets	21,490	23,923
Total Assets	60,113	63,325

(Millions of Yen)

	As of September 30, 2019	As of June 30, 2020
Liabilities		
Current Liabilities		
Notes and accounts payable-trade	6,460	6,414
Current portion of long-term loans payable	142	389
Accrued expenses	2,508	2,940
Income taxes payable	312	338
Advances received	4,326	5,310
Provision for bonuses	474	210
Provision for directors' bonuses	75	38
Provision for product warranties	685	643
Provision for point card certificates	37	—
Provision for loss on factory reconstruction	86	—
Other	2,530	1,997
Total Current Liabilities	17,641	18,283
Non-Current Liabilities		
Long-term loans payable	1,040	1,857
Net defined benefit liability	4,422	4,466
Deferred tax liabilities	92	227
Other	85	108
Total Non-Current Liabilities	5,639	6,659
Total Liabilities	23,281	24,943
Net Assets		
Shareholders' Equity		
Capital stock	14,496	14,496
Capital surplus	5,124	5,122
Retained earnings	26,147	27,223
Treasury stock	(2,404)	(2,398)
Total Shareholders' Equity	43,363	44,443
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	101	(41)
Deferred gains or losses on hedges	(24)	15
Foreign currency translation adjustment	(5,916)	(5,359)
Remeasurements of defined benefit plans	(794)	(788)
Total accumulated other comprehensive income	(6,633)	(6,173)
Subscription rights to shares	102	108
Non-controlling interests	—	3
Total Net Assets	36,832	38,382
Total Liabilities and Net Assets	60,113	63,325

(2) Consolidated Statements of Income

(Millions of Yen)

	Oct. 1, 2018 - June. 30, 2019	Oct. 1, 2019 - June. 30, 2020
Net sales	40,655	38,097
Cost of sales	25,900	24,645
Gross profit	14,754	13,452
Selling, general and administrative expenses	10,629	10,858
Operating profit	4,125	2,593
Non-operating income		
Interest income	42	38
Dividend income	26	23
Equity in earnings of affiliates	47	35
Foreign exchange gains	—	17
Gain on valuation of derivatives	59	47
Other	40	60
Total non-operating Income	216	223
Non-operating expenses		
Interest expenses	32	9
Foreign exchange losses	25	—
Other	27	23
Total non-operating Expenses	85	32
Ordinary profit	4,256	2,784
Extraordinary income		
Gain on sales of non-current assets	35	4
Gain on sales of investment securities	5	—
Total extraordinary income	40	4
Extraordinary losses		
Loss on sales and retirement of non-current assets	47	29
Provision for loss on factory reconstruction	31	—
Extra retirement payments	—	37
Total extraordinary loss	78	66
Income before income taxes	4,218	2,722
Income taxes	1,228	898
Net income	2,989	1,824
Profit attributable to non-controlling interests	—	0
Profit attributable to owners of parent	2,989	1,823

(3) Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Oct. 1, 2018 - June. 30, 2019	Oct. 1, 2019 - June. 30, 2020
Net income	2,989	1,824
Other comprehensive income		
Valuation difference on available-for-sale securities	(351)	(142)
Deferred gains or losses on hedges	55	39
Foreign currency translation adjustment	(1,833)	556
Remeasurements of defined benefit plans, net of tax	51	6
Total other comprehensive income	(2,077)	459
Comprehensive income	911	2,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	911	2,283
Comprehensive income attributable to non-controlling interests	—	0