

Consolidated Balance Sheets

(Thousands of yen)

| | As of March 31, 2017 | As of September 30, 2017 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 9,880,829 | 8,263,904 |
| Notes and accounts receivable-trade | 18,765,190 | 22,039,108 |
| Finished goods | 2,183,259 | 2,097,646 |
| Work in process | 392,253 | 477,962 |
| Raw materials and supplies | 10,224,891 | 13,561,062 |
| Other | 1,692,763 | 1,302,424 |
| Total current assets | 43,139,186 | 47,742,108 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 4,767,463 | 5,259,102 |
| Machinery, equipment and vehicles, net | 5,704,105 | 6,430,797 |
| Other, net | 4,347,744 | 5,497,899 |
| Total property, plant and equipment | 14,819,313 | 17,187,799 |
| Intangible assets | 560,519 | 586,403 |
| Investments and other assets | | |
| Investment securities | 1,113,534 | 1,173,572 |
| Shares of subsidiaries and associates | 53,407 | 52,750 |
| Long-term prepaid expenses | 678,280 | 535,292 |
| Other | 263,478 | 140,175 |
| Total Investments and other assets | 2,108,701 | 1,901,791 |
| Total noncurrent assets | 17,488,534 | 19,675,994 |
| Total assets | 60,627,720 | 67,418,102 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 19,336,652 | 22,949,878 |
| Short-term loans payable | 5,401,540 | 5,354,036 |
| Current portion of long-term loans payable | 5,115,844 | 5,666,829 |
| Current portion of bonds | 184,000 | 162,000 |
| Income taxes payable | 751,400 | 830,896 |
| Provision for bonuses | 190,142 | 362,577 |
| Other | 2,343,753 | 2,720,223 |
| Total current liabilities | 33,323,335 | 38,046,442 |
| Noncurrent liabilities | | |
| Bonds payable | 80,000 | 10,000 |
| Long-term loans payable | 9,424,398 | 10,435,946 |
| Liabilities for retirement benefits | 3,854 | 3,883 |
| Other | 1,159,380 | 1,248,760 |
| Total noncurrent liabilities | 10,667,633 | 11,698,589 |
| Total liabilities | 43,990,968 | 49,745,031 |

(Thousands of yen)

| | As of March 31, 2017 | As of September 30, 2017 |
|---|----------------------|--------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,334,000 | 1,334,000 |
| Capital surplus | 5,513,881 | 5,513,881 |
| Retained earnings | 9,690,950 | 10,080,925 |
| Treasury stock | (144,158) | (144,244) |
| Total shareholders' equity | 16,394,673 | 16,784,561 |
| Accumulated comprehensive income | | |
| Valuation difference on available-for-sale securities | 133,991 | 173,881 |
| Deferred gains or losses on hedges | (7,533) | (5,864) |
| Foreign currency translation adjustment | 115,619 | 701,340 |
| Total accumulated comprehensive income | 242,078 | 869,357 |
| Subscription rights to shares | — | 19,152 |
| Total net assets | 16,636,752 | 17,673,071 |
| Total liabilities and net assets | 60,627,720 | 67,418,102 |

Consolidated Statements of Income

(Thousands of yen)

| | Six-month period ended September 30, 2016 | Six-month period ended September 30, 2017 |
|---|--|--|
| Net sales | 52,248,834 | 62,341,159 |
| Cost of sales | 48,835,701 | 58,650,418 |
| Gross profit | 3,413,132 | 3,690,740 |
| Selling, general and administrative expenses | 1,942,530 | 2,410,122 |
| Operating income | 1,470,602 | 1,280,618 |
| Non-operating income | | |
| Interest income | 5,065 | 5,030 |
| Dividends income | 4,255 | 17,190 |
| Foreign exchange gains | — | 10,619 |
| Other | 18,636 | 15,060 |
| Total non-operating income | 27,957 | 47,900 |
| Non-operating expenses | | |
| Interest expenses | 176,571 | 214,708 |
| Foreign exchange losses | 309,496 | — |
| Share of loss of entities accounted for using equity method | — | 656 |
| Other | 10,001 | 4,621 |
| Total non-operating expenses | 496,069 | 219,986 |
| Ordinary income | 1,002,490 | 1,108,531 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 186 | — |
| Gain on sales of investment securities | — | 677 |
| Total extraordinary income | 186 | 677 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 0 | 3,596 |
| Loss on valuation of investment securities | 538 | — |
| Business structure improvement expenses | 319,751 | — |
| Total extraordinary loss | 320,289 | 3,596 |
| Profit before income taxes | 682,387 | 1,105,613 |
| Total income taxes | 363,881 | 356,755 |
| Net profit | 318,505 | 748,857 |
| Profit attributable to non-controlling interests | 1,614 | — |
| Profit attributable to owners of parent | 316,890 | 748,857 |

Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | Six-month period ended September 30, 2016 | Six-month period ended September 30, 2017 |
|--|--|--|
| Profit (loss) | 318,505 | 748,857 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 45,231 | 39,889 |
| Deferred gains or losses on hedges | 1,760 | 1,668 |
| Foreign currency translation adjustment | (1,477,323) | 585,720 |
| Total other comprehensive income | (1,430,331) | 627,278 |
| Comprehensive income | (1,111,825) | 1,376,136 |
| (Content) | | |
| Comprehensive income for the parent company's shareholders | (1,113,440) | 1,376,136 |
| Comprehensive income attributable to non-controlling interests | 1,614 | — |

Consolidated Statements of Cash Flows

(Thousands of yen)

| | Six-month period ended September 30, 2016 | Six-month period ended September 30, 2017 |
|--|--|--|
| Net cash provided by (used in) operating activities | | |
| Profit before income taxes | 682,387 | 1,105,613 |
| Depreciation and amortization | 1,084,798 | 1,213,609 |
| Amortization of goodwill | 4,819 | — |
| Share-based compensation expenses | — | 19,152 |
| Increase (decrease) in provision for bonuses | 137,395 | 164,948 |
| Increase (decrease) in provision for business structure improvement | 102,952 | — |
| Interest and dividends income | (9,321) | (22,221) |
| Interest expenses | 176,571 | 214,708 |
| Share of (profit) loss of entities accounted for using equity method | — | 656 |
| Foreign exchange losses (gains) | 187,960 | 64,480 |
| Loss (gain) on sales of property, plant and equipment | (186) | (677) |
| Loss on retirement of property, plant and equipment | — | 3,596 |
| Decrease (increase) in notes and accounts receivable-trade | (1,499,611) | (2,806,377) |
| Decrease (increase) in inventories | (1,517,378) | (3,046,276) |
| Increase (decrease) in notes and accounts payable-trade | 3,365,365 | 3,129,096 |
| Decrease (increase) in consumption taxes refund receivable | (98,146) | 275,920 |
| Decrease (increase) in accounts receivable - other | (195,965) | 210,223 |
| Increase (decrease) in accounts payable-other | 539,883 | (160,305) |
| Other | 174,363 | 11,981 |
| Subtotal | 3,135,889 | 378,128 |
| Interest and dividends income received | 9,321 | 22,221 |
| Interest expenses paid | (174,957) | (210,158) |
| Income taxes paid | (156,089) | (227,822) |
| Net cash provided by (used in) operating activities | 2,814,163 | (37,631) |
| Net cash provided by (used in) investment activities | | |
| Purchase of property, plant and equipment | (1,806,663) | (2,359,123) |
| Proceeds from sales of property, plant and equipment | 186 | — |
| Purchase of intangible assets | (30,370) | (93,619) |
| Purchase of investment securities | (654,619) | — |
| Proceeds from sales of investment securities | — | 1,844 |
| Payments for investments in capital of subsidiaries and associates | — | (3,231) |
| Other | (1,066) | (201,534) |
| Net cash provided by (used in) investment activities | (2,492,533) | (2,655,664) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | (461,778) | (121,735) |
| Proceeds from long-term loans payable | 2,458,530 | 4,277,120 |
| Repayment of long-term loans payable | (2,938,948) | (2,846,696) |
| Redemption of bonds | (92,000) | (92,000) |
| Repayments of lease obligations | (70,441) | (86,478) |
| Proceeds from share issuance to non-controlling shareholders | 1,000 | — |
| Purchase of treasury shares of subsidiaries | — | (86) |
| Cash dividends paid | (358,882) | (358,882) |
| Net cash provided by (used in) financing activities | (1,462,520) | 771,240 |
| Effect of exchange rate change on cash and cash equivalents | (718,860) | 105,130 |
| Net increase (decrease) in cash and cash equivalents | (1,859,751) | (1,816,925) |
| Cash and cash equivalents at beginning of period | 12,874,194 | 9,680,829 |
| Cash and cash equivalents at end of period | 11,014,442 | 7,863,904 |