

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	4,220	5,504
Notes and accounts receivable - trade	17,082	19,105
Finished goods	2,398	2,434
Work in process	1,135	719
Raw materials and supplies	14,186	12,754
Other	2,013	2,345
Allowance for doubtful accounts	(0)	(0)
Total current assets	41,037	42,864
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,470	5,211
Machinery, equipment and vehicles, net	7,004	6,843
Other, net	6,755	6,236
Total property, plant and equipment	19,229	18,291
Intangible assets	405	360
Investments and other assets	747	800
Total non-current assets	20,382	19,452
Total assets	61,419	62,317
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,670	25,773
Short-term borrowings	15,160	18,161
Current portion of long-term borrowings	3,792	3,801
Income taxes payable	238	266
Provision for bonuses	552	757
Provision for product warranties	442	374
Other	4,371	3,613
Total current liabilities	50,228	52,747
Non-current liabilities		
Long-term borrowings	5,460	4,221
Retirement benefit liability	1,026	978
Other	1,290	1,183
Total non-current liabilities	7,776	6,383
Total liabilities	58,004	59,131

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	4,729	4,729
Capital surplus	10,472	10,472
Retained earnings	(11,486)	(11,847)
Treasury shares	(0)	(0)
Total shareholders' equity	3,716	3,355
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	(430)	(305)
Remeasurements of defined benefit plans	(37)	(35)
Total accumulated other comprehensive income	(468)	(340)
Share acquisition rights	119	119
Non-controlling interests	47	51
Total net assets	3,414	3,185
Total liabilities and net assets	61,419	62,317

## Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	71,500	64,215
Cost of sales	68,808	61,011
Gross profit	2,692	3,203
Selling, general and administrative expenses	3,262	3,132
Operating profit (loss)	(570)	71
Non-operating income		
Interest income	12	2
Dividend income	17	1
Rental income from land and buildings	131	132
Other	70	52
Total non-operating income	231	189
Non-operating expenses		
Interest expenses	439	271
Foreign exchange losses	317	23
Other	148	73
Total non-operating expenses	905	368
Ordinary loss	(1,244)	(106)
Extraordinary income		
Gain on sales of non-current assets	0	32
Profit of retirement benefits system transition	1,164	—
Insurance claim income	—	41
Total extraordinary income	1,164	73
Extraordinary losses		
Loss on retirement of non-current assets	4	7
Loss on sales of non-current assets	4	27
Impairment loss	541	59
Loss on valuation of investment securities	86	—
Retirement benefit expenses	848	—
Previous year correction expenses	1,461	—
Total extraordinary losses	2,948	94
Loss before income taxes	(3,028)	(127)
Income taxes	137	229
Loss	(3,166)	(357)
Profit attributable to non-controlling interests	36	3
Loss attributable to owners of parent	(3,202)	(360)

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Loss	(3,166)	(357)
Other comprehensive income		
Valuation difference on available-for-sale securities	40	—
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(547)	125
Remeasurements of defined benefit plans, net of tax	34	2
Total other comprehensive income	(471)	128
Comprehensive income	(3,638)	(228)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(3,679)	(232)
Comprehensive income attributable to non-controlling interests	41	3

## Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
<b>Cash flows from operating activities</b>		
Loss before income taxes	(3,028)	(127)
Depreciation	1,583	1,459
Impairment loss	541	59
Amortization of goodwill	17	17
Share-based remuneration expenses	9	-
Increase (decrease) in provision for bonuses	100	208
Increase (decrease) in retirement benefit liability	335	(44)
Increase (decrease) in provision for product warranties	-	(67)
Interest and dividend income	(30)	(4)
Interest expenses	440	271
Foreign exchange losses (gains)	15	(44)
Loss (gain) on sales of non-current assets	4	(5)
Loss on retirement of non-current assets	4	7
Loss on valuation of investment securities	86	-
Decrease (increase) in trade receivables	(1,906)	(2,349)
Decrease (increase) in inventories	(847)	1,466
Increase (decrease) in trade payables	2,817	694
Decrease (increase) in accounts receivable - other	(1,395)	(162)
Increase (decrease) in accounts payable - other	1,506	73
Other, net	(589)	(429)
Subtotal	(332)	1,024
Interest and dividends received	30	4
Interest paid	(419)	(348)
Income taxes paid	(365)	(98)
Net cash provided by (used in) operating activities	(1,088)	581
<b>Cash flows from investing activities</b>		
Payments into time deposits	(21)	-
Purchase of property, plant and equipment	(1,556)	(1,280)
Purchase of intangible assets	(28)	(39)
Proceeds from sales of property, plant and equipment	6	22
Proceeds from sales of investment securities	-	3
Other, net	5	6
Net cash provided by (used in) investing activities	(1,594)	(1,288)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	5,080	3,386
Proceeds from long-term borrowings	1,932	-
Repayments of long-term borrowings	(2,557)	(1,041)
Repayments of lease obligations	(228)	(270)
Dividends paid	(578)	-
Net cash provided by (used in) financing activities	3,647	2,074
Effect of exchange rate change on cash and cash equivalents	(350)	(83)
Net increase (decrease) in cash and cash equivalents	614	1,284
Cash and cash equivalents at beginning of period	6,422	4,220
Cash and cash equivalents at end of period	7,036	5,504