

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	6,422,103	7,057,977
Notes and accounts receivable-trade	18,998,763	21,583,416
Finished goods	3,373,605	2,566,200
Work in process	601,584	698,723
Raw materials and supplies	17,730,465	18,226,422
Other	1,559,033	3,217,987
Allowance for doubtful accounts	(178)	(117)
<b>Total current assets</b>	<b>48,685,378</b>	<b>53,350,611</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,031,163	5,701,165
Machinery, equipment and vehicles, net	7,710,354	8,105,940
Other, net	9,560,371	8,955,303
<b>Total property, plant and equipment</b>	<b>23,301,889</b>	<b>22,762,409</b>
Intangible assets	666,281	569,333
Investments and other assets		
Investment securities	940,681	933,731
Other	716,133	450,814
<b>Total Investments and other assets</b>	<b>1,656,815</b>	<b>1,384,545</b>
<b>Total non-current assets</b>	<b>25,624,985</b>	<b>24,716,288</b>
<b>Total assets</b>	<b>74,310,364</b>	<b>78,066,899</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	25,453,155	28,253,037
Short-term loans payable	10,376,613	15,288,720
Current portion of long-term loans payable	4,515,536	4,337,453
Income taxes payable	849,611	690,861
Provision for bonuses	777,984	874,773
Other	5,255,193	6,067,108
<b>Total current liabilities</b>	<b>47,228,094</b>	<b>55,511,954</b>
Non-current liabilities		
Long-term loans payable	7,924,884	7,241,310
Provision for product warranties	128,702	124,002
Liabilities for retirement benefits	782,566	1,046,797
Other	861,641	1,601,418
<b>Total non-current liabilities</b>	<b>9,697,795</b>	<b>10,013,529</b>
<b>Total liabilities</b>	<b>56,925,889</b>	<b>65,525,484</b>

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Net assets		
Shareholders' equity		
Capital stock	4,729,403	4,729,403
Capital surplus	10,472,765	10,472,765
Retained earnings	2,300,547	(2,117,142)
Treasury shares	(6)	(6)
Total shareholders' equity	17,502,710	13,085,019
Accumulated comprehensive income		
Valuation difference on available-for-sale securities	(74,513)	(33,529)
Deferred gains or losses on hedges	(2,276)	(2,084)
Foreign currency translation adjustment	(121,787)	(669,230)
Remeasurements of defined benefit plans	(58,614)	(29,450)
Total accumulated comprehensive income	(257,191)	(734,296)
Share acquisition rights	109,725	119,700
Non-controlling interests	29,230	70,991
Total net assets	17,384,474	12,541,415
Total liabilities and net assets	74,310,364	78,066,899

## Consolidated Statements of Income

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	67,583,521	71,500,286
Cost of sales	65,030,940	68,808,079
Gross profit	2,552,581	2,692,206
Selling, general and administrative expenses	2,616,266	3,262,675
Operating loss	(63,685)	(570,469)
Non-operating income		
Interest income	11,142	12,186
Dividends income	18,160	17,934
Land and house rent received	64,884	131,143
Other	22,289	70,422
Total non-operating income	116,476	231,686
Non-operating expenses		
Interest expenses	314,591	439,616
Foreign exchange losses	628,708	317,250
Other	66,044	148,624
Total non-operating expenses	1,009,344	905,490
Ordinary loss	(956,552)	(1,244,273)
Extraordinary income		
Gain on sales of non-current assets	—	18
Gain on sales of investment securities	308,158	—
Profit of retirement benefits system transition	—	1,164,000
Total extraordinary income	308,158	1,164,018
Extraordinary losses		
Loss on sales of non-current assets	—	4,644
Loss on retirement of non-current assets	59,728	4,671
Loss on valuation of investment securities	—	86,510
Impairment loss	36,396	541,906
Retirement benefit expenses	—	848,973
Previous year correction expenses	—	1,461,962
Total extraordinary loss	96,125	2,948,668
Loss before income taxes	(744,519)	(3,028,923)
Total income taxes	395,253	137,131
Loss	(1,139,773)	(3,166,054)
Profit attributable to non-controlling interests	4,068	36,654
Loss attributable to owners of parent	(1,143,841)	(3,202,709)

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Profit	(1,139,773)	(3,166,054)
Other comprehensive income		
Valuation difference on available-for-sale securities	(205,109)	40,983
Deferred gains or losses on hedges	(1,240)	191
Foreign currency translation adjustment	(109,459)	(547,443)
Remeasurements of defined benefit plans, net of tax	—	34,269
Total other comprehensive income	(315,809)	(471,998)
Comprehensive income	(1,455,583)	(3,638,053)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,459,651)	(3,679,814)
Comprehensive income attributable to non-controlling interests	4,068	41,760

## 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>		
Profit before income taxes	(744,519)	(3,028,923)
Depreciation and amortization	1,290,456	1,583,833
Impairment loss	36,396	541,906
Amortization of goodwill	8,963	17,927
Share-based compensation expenses	29,925	9,975
Increase (decrease) in provision for bonuses	425,181	100,466
Increase (decrease) in net defined benefit liability	(67,186)	335,306
Interest and dividends income	(29,302)	(30,120)
Interest expenses	314,591	440,623
Foreign exchange losses (gains)	248,718	15,905
Loss (gain) on sales of non-current assets	—	4,626
Loss on retirement of non-current assets	59,728	4,671
Loss (gain) on sales of investment securities	(308,158)	—
Loss on valuation of investment securities	—	86,510
Decrease (increase) in notes and accounts receivable-trade	967,103	(1,906,694)
Decrease (increase) in inventories	(4,393,435)	(847,652)
Increase (decrease) in notes and accounts payable-trade	3,397,275	2,817,667
Decrease (increase) in accounts receivable - other	(295,900)	(1,395,794)
Increase (decrease) in accounts payable - other	(34,920)	1,506,425
Other, net	522,198	(589,557)
Subtotal	1,427,117	(332,897)
Interest and dividends income received	29,293	30,113
Interest expenses paid	(292,415)	(419,828)
Income taxes paid	(259,015)	(365,839)
Net cash provided by (used in) operating activities	904,979	(1,088,451)
<b>Cash flows from investing activities</b>		
Payments into time deposits	—	(21,725)
Purchase of property, plant and equipment	(4,793,324)	(1,556,807)
Purchase of intangible assets	(57,335)	(28,748)
Proceeds from sales of property, plant and equipment	—	6,830
Proceeds from sales of investment securities	963,583	—
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	345,909	—
Other, net	6,494	5,522
Net cash provided by (used in) investment activities	(3,534,672)	(1,594,929)
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term loans payable	2,340,198	5,080,568
Proceeds from long-term loans payable	1,947,957	1,932,153
Repayment of long-term loans payable	(3,352,958)	(2,557,675)
Redemption of bonds	(70,000)	—
Repayments of lease obligations	(124,213)	(228,206)
Proceeds from sales and leasebacks	212,080	—
Proceeds from issuance of common shares	6,659,522	—
Proceeds from disposal of treasury shares	1,707,718	—
Cash dividends paid	(483,724)	(578,854)
Cash flows from financing activities	8,836,582	3,647,985
Effect of exchange rate change on cash and cash equivalents	111,324	(350,321)
Net increase (decrease) in cash and cash equivalents	6,318,213	614,281
Cash and cash equivalents at beginning of period	5,693,104	6,422,103
Cash and cash equivalents at end of period	12,011,317	7,036,385