

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

| | Previous Consolidated Fiscal Year (March 31, 2014) | Current Consolidated Fiscal Year (March 31, 2015) |
|--|---|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 46,781 | 39,155 |
| Notes and accounts receivable-trade | 19,869 | 26,571 |
| Securities | 138 | 505 |
| Merchandise and finished goods | 688 | 1,272 |
| Work in process | 7,795 | 11,226 |
| Raw materials and supplies | 17,501 | 17,175 |
| Deferred tax assets | 990 | 825 |
| Other | 4,170 | 6,505 |
| Allowance for doubtful accounts | (23) | (41) |
| Total current assets | 97,913 | 103,196 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 14,990 | 15,803 |
| Accumulated depreciation | (5,707) | (6,457) |
| Buildings and structures (net amount) | 9,282 | 9,345 |
| Machinery, equipment and vehicles | 3,372 | 4,419 |
| Accumulated depreciation | (2,543) | (2,831) |
| Machinery, equipment and vehicles (net amount) | 828 | 1,587 |
| Aircraft | 5,976 | 5,976 |
| Accumulated depreciation | - | (747) |
| Aircraft (net amount) | 5,976 | 5,229 |
| Assets for rent | 1,006 | 643 |
| Accumulated depreciation | (1,003) | (643) |
| Assets for rent (net amount) | 3 | 0 |
| Land | 39,834 | 7,764 |
| Construction in progress | 30,378 | 52,235 |
| Other | 11,345 | 12,442 |
| Accumulated depreciation | (7,827) | (8,841) |
| Other (net amount) | 3,517 | 3,600 |
| Total property, plant and equipment | 89,822 | 79,763 |
| Intangible assets | | |
| Other | 1,515 | 1,653 |
| Total intangible assets | 1,515 | 1,653 |
| Investments and other assets | | |
| Investment securities | 49,131 | 58,330 |
| Long-term loans receivable | 135 | 130 |
| Lease and guarantee deposits | 1,841 | 1,430 |
| Claims provable in bankruptcy, claims provable in rehabilitation and other | 1,812 | 2,437 |
| Long-term accounts receivable-other | 1,447 | 1,544 |
| Long-term deposits | 5,268 | 13,096 |
| Long-term deposits for affiliates | - | 28,964 |
| Other | 3,065 | 744 |
| Allowance for doubtful accounts | (3,119) | (3,171) |
| Total investments and other assets | 59,582 | 103,506 |
| Total non-current assets | 150,920 | 184,923 |
| Total assets | 248,833 | 288,120 |

(Million yen)

| | Previous Consolidated Fiscal Year (March 31, 2014) | Current Consolidated Fiscal Year (March 31, 2015) |
|---|---|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 18,128 | 15,243 |
| Short-term loans payable | 16,051 | 28,782 |
| Current portion of long-term loans payable | 344 | - |
| Current portion of bonds | 1,640 | 500 |
| Accounts payable-other | 4,228 | 6,904 |
| Income taxes payable | 7,793 | 7,082 |
| Accrued consumption taxes | 243 | 1,745 |
| Provision for bonuses | 233 | 246 |
| Deferred tax liabilities | 436 | 10 |
| Other | 3,424 | 5,037 |
| Total current liabilities | 52,524 | 65,554 |
| Non-current liabilities | | |
| Bonds payable | 500 | - |
| Asset retirement obligations | 371 | 377 |
| Deferred tax liabilities | 593 | 1,635 |
| Other | 529 | 533 |
| Total non-current liabilities | 1,994 | 2,545 |
| Total liabilities | 54,518 | 68,100 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 98 | 98 |
| Capital surplus | 10,852 | 10,852 |
| Retained earnings | 195,701 | 205,314 |
| Treasury shares | (14,296) | (14,296) |
| Total shareholders' equity | 192,355 | 201,967 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 51 | 30 |
| Foreign currency translation adjustment | 528 | 16,665 |
| Total accumulated other comprehensive income | 580 | 16,696 |
| Subscription rights to shares | 22 | 32 |
| Minority interests | 1,356 | 1,323 |
| Total net assets | 194,314 | 220,020 |
| Total liabilities and net assets | 248,833 | 288,120 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Million yen)

| | Previous Consolidated Fiscal Year (April 1, 2013 to March 31, 2014) | Current Consolidated Fiscal Year (April 1, 2014 to March 31, 2015) |
|---|--|---|
| Net sales | 86,760 | 88,085 |
| Cost of sales | 38,900 | 38,994 |
| Gross profit | 47,860 | 49,091 |
| Selling, general and administrative expenses | 23,210 | 28,044 |
| Operating income | 24,650 | 21,047 |
| Non-operating income | | |
| Interest income | 313 | 87 |
| Dividend income | 77 | 9 |
| Foreign exchange gains | - | 1,695 |
| Other | 88 | 173 |
| Total non-operating income | 479 | 1,964 |
| Non-operating expenses | | |
| Interest expenses | 471 | 466 |
| Commission fee | 217 | 234 |
| Foreign exchange losses | 740 | - |
| Sales discounts | 0 | 233 |
| Other | 72 | 22 |
| Total non-operating expenses | 1,503 | 956 |
| Ordinary income | 23,626 | 22,055 |
| Extraordinary income | | |
| Gain on sales of investment securities | 635 | - |
| Gain on sales of shares of subsidiaries and associates' stock | 36 | 1,314 |
| Gain on reversal of subscription rights to shares | 0 | 22 |
| Other | 6 | 6 |
| Total extraordinary income | 677 | 1,344 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 562 | - |
| Loss on disposal of inventories | 2,976 | - |
| Impairment loss | - | 86 |
| Loss on business of subsidiaries and associates | - | 1,256 |
| Loss on business o subsidiaries and associates | - | 574 |
| Other | 322 | 1 |
| Total extraordinary losses | 3,861 | 1,918 |
| Income before income taxes and others | 20,442 | 21,481 |
| Income taxes-current | 9,128 | 10,559 |
| Income taxes-deferred | 1,307 | 782 |
| Total income taxes | 10,435 | 11,341 |
| Income before minority interests | 10,006 | 10,140 |
| Minority interests in income (loss) | 597 | (33) |
| Net income | 9,409 | 10,173 |

(Consolidated Statement of Comprehensive Income)

(Million yen)

| | Previous Consolidated Fiscal Year (April 1, 2013 to March 31, 2014) | Current Consolidated Fiscal Year (April 1, 2014 to March 31, 2015) |
|---|--|---|
| Income before minority interests | 10,006 | 10,140 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 102 | (20) |
| Foreign currency translation adjustment | 22,121 | 16,136 |
| Total other comprehensive income | 22,224 | 16,116 |
| Comprehensive income | 32,231 | 26,256 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | 31,634 | 26,290 |
| Comprehensive income attributable to minority interests | 597 | (33) |

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 98 | 10,852 | 187,616 | (14,296) | 184,269 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,467) | | (1,467) |
| Net income | | | 9,409 | | 9,409 |
| Change of scope of consolidation | | | 143 | | 143 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | - | 8,085 | - | 8,085 |
| Balance at end of current period | 98 | 10,852 | 195,701 | (14,296) | 192,355 |

| | Accumulated other comprehensive income | | | Subscription rights to shares | Minority interests | Total net assets |
|--|---|---|--|-------------------------------|--------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of current period | (51) | (21,593) | (21,644) | 22 | 745 | 163,393 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,467) |
| Net income | | | | | | 9,409 |
| Change of scope of consolidation | | | | | | 143 |
| Net changes of items other than shareholders' equity | 102 | 22,121 | 22,224 | (0) | 610 | 22,835 |
| Total changes of items during period | 102 | 22,121 | 22,224 | (0) | 610 | 30,921 |
| Balance at end of current period | 51 | 528 | 580 | 22 | 1,356 | 194,314 |

Current Consolidated Fiscal Year (April 1, 2014 to March 31, 2015)

(Million yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Capital stock | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of current period | 98 | 10,852 | 195,701 | (14,296) | 192,355 |
| Changes of items during period | | | | | |
| Dividends of surplus | | | (1,834) | | (1,834) |
| Net income | | | 10,173 | | 10,173 |
| Change of scope of consolidation | | | 1,273 | | 1,273 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during period | - | - | 9,612 | - | 9,612 |
| Balance at end of current period | 98 | 10,852 | 205,314 | (14,296) | 201,967 |

| | Accumulated other comprehensive income | | | Subscription rights to shares | Minority interests | Total net assets |
|--|---|---|--|-------------------------------|--------------------|------------------|
| | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Total accumulated other comprehensive income | | | |
| Balance at beginning of current period | 51 | 528 | 580 | 22 | 1,356 | 194,314 |
| Changes of items during period | | | | | | |
| Dividends of surplus | | | | | | (1,834) |
| Net income | | | | | | 10,173 |
| Change of scope of consolidation | | | | | | 1,273 |
| Net changes of items other than shareholders' equity | (20) | 16,136 | 16,116 | 10 | (33) | 16,092 |
| Total changes of items during period | (20) | 16,136 | 16,116 | 10 | (33) | 25,705 |
| Balance at end of current period | 30 | 16,665 | 16,696 | 32 | 1,323 | 220,020 |

(4) Consolidated Statement of Cash Flows

(Million yen)

| | Previous Consolidated Fiscal Year (April 1, 2013 to March 31, 2014) | Current Consolidated Fiscal Year (April 1, 2014 to March 31, 2015) |
|---|--|---|
| Cash flows from operating activities | | |
| Income before income taxes and others | 20,442 | 21,481 |
| Depreciation | 2,044 | 3,244 |
| Impairment loss | - | 86 |
| Loss (gain) on sales of investment securities | (635) | - |
| Loss (gain) on sales of shares of subsidiaries and associates' stock | (36) | (1,314) |
| Loss (gain) on valuation of investment securities | 562 | - |
| Loss on business of subsidiaries and associates | - | 1,256 |
| Loss on business of other affiliates | - | 574 |
| Increase (decrease) in provision for bonuses | 17 | 13 |
| Increase (decrease) in allowance for doubtful accounts | (110) | 363 |
| Interest and dividend income | (390) | (96) |
| Interest expenses | 471 | 466 |
| Foreign exchange losses (gains) | (502) | (4,030) |
| Decrease (increase) in notes and accounts receivable-trade | (8,659) | (6,701) |
| Decrease (increase) in inventories | (1,401) | (3,652) |
| Decrease (increase) in accounts receivable-other | (172) | 126 |
| Increase (decrease) in accrued consumption taxes | (931) | 2,458 |
| Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation | 4 | (625) |
| Increase (decrease) in notes and accounts payable-trade | 4,249 | (2,889) |
| Increase (decrease) in accounts payable-other | 637 | (204) |
| Increase (decrease) in advances received | 39 | 999 |
| Decrease (increase) in other current assets | 354 | (923) |
| Increase (decrease) in other current liabilities | 3,077 | 544 |
| Decrease (increase) in other non-current assets | 261 | 1,862 |
| Increase (decrease) in other non-current liabilities | (4) | 4 |
| Other | 338 | 50 |
| Subtotal | 19,657 | 13,095 |
| Interest and dividend income received | 390 | 96 |
| Interest expenses paid | (471) | (382) |
| Income taxes paid | (16,586) | (11,300) |
| Net cash provided by (used in) operating activities | 2,990 | 1,508 |

(Million yen)

| | Previous Consolidated Fiscal Year (April 1, 2013 to March 31, 2014) | Current Consolidated Fiscal Year (April 1, 2014 to March 31, 2015) |
|---|--|---|
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | (7,556) | 8,719 |
| Purchase of property, plant and equipment | (26,007) | (17,889) |
| Proceeds from sales of property, plant and equipment | 27 | 15 |
| Purchase of intangible assets | (560) | (770) |
| Proceeds from sales of intangible assets | 40 | - |
| Purchase of investment securities | (9) | (9) |
| Proceeds from sales of investment securities | 2,591 | - |
| Purchase of shares of subsidiaries | (273) | (316) |
| Proceeds from sales of shares of subsidiaries | 50 | - |
| Payments for sales of shares of subsidiaries resulting in change in scope of consolidation | - | 313 |
| Payments for lease and guarantee deposits | (24) | (1,919) |
| Proceeds from collection of lease and guarantee deposits | 47 | 15 |
| Decrease (increase) in deposits paid | 4,737 | (4) |
| Other | (46) | 41 |
| Net cash provided by (used in) investing activities | (26,984) | (11,804) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | 5,885 | 11,491 |
| Repayments of long-term loans payable | (5,781) | (344) |
| Redemption of bonds | (2,060) | (1,640) |
| Cash dividends paid | (1,467) | (1,834) |
| Decrease (increase) in pledged deposit | (471) | 8,885 |
| Proceeds from sales and redemption by installment payment | - | 1,232 |
| Payment for sales and redemption by installment payment | - | (186) |
| Other | 34 | (88) |
| Net cash provided by (used in) financing activities | (3,860) | 17,515 |
| Effect of exchange rate change on cash and cash equivalents | 3,821 | 3,392 |
| Net increase (decrease) in cash and cash equivalents | (24,033) | 10,612 |
| Cash and cash equivalents at beginning of consolidated fiscal year | 52,778 | 28,743 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | - | 5 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (1) | (4) |
| Cash and cash equivalents at end of consolidated fiscal year | 28,743 | 39,356 |