

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Million yen)

	2017 (December 31, 2017)	2018 (December 31, 2018)
Assets		
Current assets		
Cash and deposits	35,809	46,076
Notes and accounts receivable-trade	9,237	10,381
Securities	13	2
Merchandise and finished goods	2,049	1,186
Work in process	12,263	8,361
Raw materials and supplies	20,829	13,628
Deferred tax assets	2	-
Other	11,325	14,961
Allowance for doubtful accounts	(516)	(486)
Total current assets	91,013	94,111
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,666	241,164
Accumulated depreciation	(6,619)	(10,181)
Buildings and structures (net amount)	19,046	230,983
Machinery, equipment and vehicles	21,278	39,948
Accumulated depreciation	(6,774)	(10,684)
Machinery, equipment and vehicles (net amount)	14,504	29,263
Lease assets	6,934	6,928
Accumulated depreciation	(2,445)	(3,501)
Lease assets (net amount)	4,488	3,427
Land	7,251	7,171
Construction in progress	293,375	82,757
Other	17,212	18,678
Accumulated depreciation	(11,858)	(12,661)
Other (net amount)	5,353	6,016
Total property, plant and equipment	344,020	359,619
Intangible assets		
Other	2,608	2,388
Total intangible assets	2,608	2,388
Investments and other assets		
Investment securities	59,329	10,979
Long-term deposits	7,017	6,801
Long-term deposits for affiliates	27,523	26,727
Deferred tax assets	1,681	3,055
Other	9,213	7,052
Allowance for doubtful accounts	(767)	(723)
Total investments and other assets	103,997	53,893
Total non-current assets	450,627	415,901
Deferred assets	2,107	663
Total assets	543,747	510,677

(Million yen)

	2017 (December 31, 2017)	2018 (December 31, 2018)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,245	6,653
Short-term loans payable	17,456	16,846
Current portion of long-term loans payable	1,607	-
Accounts payable-other	20,299	12,781
Accrued expenses	19,588	17,599
Income taxes payable	190	119
Provision for bonuses	80	78
Other	8,121	10,541
Total current liabilities	73,590	64,620
Non-current liabilities		
Bonds payable	149,125	65,511
Long-term loans payable	84,120	-
Net defined benefit liability	94	116
Deferred tax liabilities	614	1,134
Other	5,256	4,230
Total non-current liabilities	239,211	70,993
Total liabilities	312,801	135,613
Net assets		
Shareholders' equity		
Capital stock	98	98
Capital surplus	20,087	18,831
Retained earnings	216,255	377,424
Treasury shares	(2,654)	(2,764)
Total shareholders' equity	233,786	393,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(581)	(719)
Foreign currency translation adjustment	(1,789)	(17,928)
Remeasurements of defined benefit plans	5	45
Total accumulated other comprehensive income	(2,365)	(18,602)
Subscription rights to shares	107	76
Non-controlling interests	(582)	-
Total net assets	230,945	375,063
Total liabilities and net assets	543,747	510,677

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

(Million yen)

	2017 (April 1 to December 31, 2017)	2018 (April 1 to December 31, 2018)
Net sales	68,546	93,267
Cost of sales	35,276	54,026
Gross profit	33,269	39,240
Selling, general and administrative expenses	43,077	57,212
Operating loss	(9,807)	(17,972)
Non-operating income		
Interest income	327	74,761
Dividend income	9	18
Foreign exchange gains	-	6,548
Equity in earnings of affiliates	640	2,795
Other	87	3,394
Total non-operating income	1,066	87,518
Non-operating expenses		
Interest expenses	401	820
Interest on bonds	188	760
Foreign exchange losses	2,864	-
Commission fee	127	675
Provision of allowance for doubtful accounts	483	-
Other	22	56
Total non-operating expenses	4,088	2,313
Ordinary income (loss)	(12,829)	67,232
Extraordinary income		
Gain on sales of non-current assets	-	10
Gain on sales of shares of subsidiaries and associates	26	-
Gain on redemption of stock due to the settlement	-	158,796
Other	0	69
Total extraordinary income	26	158,877
Extraordinary losses		
Loss on sales and retirement of non-current assets	6	15
Impairment loss	-	42
Loss on bond retirement	-	4,693
Loss on valuation of inventories	-	7,440
Loss on litigation	-	2,836
Other	0	1,292
Total extraordinary losses	6	16,319
Income (loss) before income taxes and others	(12,810)	209,790
Income taxes-current	560	50,037
Income taxes-deferred	797	(1,066)
Total income taxes	1,357	48,971
Net income (loss)	(14,167)	160,818
Net loss attributable to non-controlling interests	(741)	(349)
Net income (loss) attributable to owners of the parent	(13,426)	161,168

(Consolidated Statement of Comprehensive Income)

(Million yen)

	2017 (April 1 to December 31, 2017)	2018 (April 1 to December 31, 2018)
Net income (loss)	(14,167)	160,818
Other comprehensive income		
Valuation difference on available-for-sale securities	(478)	(138)
Foreign currency translation adjustment	7,172	(16,138)
Remeasurements of defined benefit plans, net of tax	47	40
Total other comprehensive income	6,740	(16,236)
Comprehensive income	(7,427)	144,581
(Breakdown)		
Comprehensive income attributable to owners of the parent	(6,686)	144,931
Comprehensive income attributable to non-controlling interests	(741)	(349)

(3) Consolidated Statement of Changes in Equity

2017 (April 1, 2017 to December 31, 2017)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	20,070	236,872	(2,737)	254,258
Changes of items during period					
Dividends of surplus			(3,155)		(3,155)
Net income (loss) attributable to owners of parent			(13,426)		(13,426)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		16		82	99
Changes in scope of consolidation			116		116
Decrease in retained earnings resulting from change in accounting period			(4,106)		(4,106)
Change in ownership interest of parent due to transactions with non-controlling interests					
Net changes of items other than shareholders' equity					
Total changes of items during period	-	16	(20,571)	82	(20,472)
Balance at end of current period	98	20,087	216,255	(2,654)	233,786

	Accumulated other comprehensive income				Sub- scription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Remeasure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(152)	5,285	(41)	5,091	99	539	259,990
Changes of items during period							
Dividends of surplus							(3,155)
Profit (loss) attributable to owners of parent							(13,426)
Purchase of treasury shares							(0)
Disposal of treasury shares							99
Changes in scope of consolidation							116
Decrease in retained earnings resulting from change in accounting period							(4,106)
Change in ownership interest of parent due to transactions with non-controlling interests							
Net changes of items other than shareholders' equity	(428)	(7,075)	47	(7,457)	7	(1,122)	(8,572)
Total changes of items during period	(428)	(7,075)	47	(7,457)	7	(1,122)	(29,044)
Balance at end of current period	(581)	(1,789)	5	(2,365)	107	(582)	230,945

2018 (January 1, 2018 to December 31, 2018)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	98	20,087	216,255	(2,654)	233,786
Changes of items during period					
Dividends of surplus					
Net income (loss) attributable to owners of parent			161,168		161,168
Purchase of treasury shares				(777)	(777)
Disposal of treasury shares		176		667	844
Changes in scope of consolidation			-		-
Decrease in retained earnings resulting from change in accounting period			-		-
Change in ownership interest of parent due to transactions with non-controlling interests		(1,432)			(1,432)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(1,255)	161,168	(109)	159,802
Balance at end of current period	98	18,831	377,424	(2,764)	393,589

	Accumulated other comprehensive income				Sub- scription rights to shares	Non- controlling interests	Total net assets
	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Remeasure- ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	(581)	(1,789)	5	(2,365)	107	(582)	230,945
Changes of items during period							
Dividends of surplus							-
Profit (loss) attributable to owners of parent							161,168
Purchase of treasury shares							(777)
Disposal of treasury shares							844
Changes in scope of consolidation							-
Decrease in retained earnings resulting from change in accounting period							-
Change in ownership interest of parent due to transactions with non-controlling interests							(1,432)
Net changes of items other than shareholders' equity	(138)	(16,138)	40	(16,236)	(31)	582	(15,685)
Total changes of items during period	(138)	(16,138)	40	(16,236)	(31)	582	144,117
Balance at end of current period	(719)	(17,928)	45	(18,602)	76	-	375,063

(4) Consolidated Statement of Cash Flows

(Million yen)

	2017 (April 1 to December 31, 2017)	2018 (April 1 to December 31, 2018)
Cash flows from operating activities		
Income (loss) before income taxes and others	(12,810)	209,790
Depreciation	6,507	13,067
Impairment loss	-	42
Loss (gain) on sales and retirement of non-current assets	6	4
Loss (gain) on sales of shares of subsidiaries and affiliates' stock	(26)	-
Equity in (earnings) losses of affiliates	(640)	(2,795)
Interest and dividend income	(337)	(74,780)
Interest expenses	401	820
Interest on bonds	188	760
Loss on redemption of bonds	-	4,693
Gain on redemption of stock due to the settlement	-	(158,796)
Loss on litigation	-	2,836
Loss on valuation of inventories	-	7,440
Foreign exchange losses (gains)	2,893	(7,220)
Decrease (increase) in notes and accounts receivable-trade	3,198	(1,464)
Decrease (increase) in inventories	7,506	4,441
Decrease (increase) in accounts receivable-other	43	(3,411)
Increase (decrease) in accrued consumption taxes	(1,487)	(689)
Increase (decrease) in notes and accounts payable-trade	(8,690)	320
Increase (decrease) in accounts payable-other	2,366	(1,422)
Decrease (increase) in other current assets	(393)	(3,156)
Increase (decrease) in other current liabilities	4,821	4,301
Increase (decrease) in other non-current liabilities	58	-
Other	580	1,806
Subtotal	4,186	(3,413)
Interest and dividend income received	337	74,782
Interest expenses paid	(526)	(1,771)
Payments for loss on litigation	-	(2,778)
Income taxes paid	(6,175)	(51,539)
Net cash provided by (used in) operating activities	(2,177)	15,280

(Million yen)

	2017 (April 1 to December 31, 2017)	2018 (April 1 to December 31, 2018)
Cash flows from investing activities		
Purchase of property, plant and equipment	(57,186)	(49,916)
Purchase of intangible assets	(1,236)	(815)
Purchase of investment securities	(6)	(410)
Proceeds from redemption of stock due to settlement	-	207,218
Payments of short term-loans receivable	(1,114)	(1,158)
Payments for lease and guarantee deposits	(46)	(32)
Payments of long-term loans receivable	(452)	(402)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	(606)	-
Other	746	366
Net cash provided by (used in) investing activities	(59,903)	154,849
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,387	(452)
Repayments of long-term loans payable	-	(78,208)
Redemption of bonds	-	(148,575)
Proceeds from issuance of bonds	-	66,512
Purchase of treasury shares	-	(779)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(500)
Cash dividends paid	(3,155)	-
Amount of increase and decrease of mortgage offer deposit	33	
Proceeds from disposal of treasury shares from exercise of share acquisition rights	71	823
Proceeds from sales and leasebacks	535	-
Payment for sales and leasebacks	(552)	(804)
Other	31	(1,190)
Net cash provided by (used in) financing activities	4,352	(163,173)
Effect of exchange rate change on cash and cash equivalents	403	3,320
Net increase (decrease) in cash and cash equivalents	(57,325)	10,276
Cash and cash equivalents at beginning of period	119,038	35,594
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(5)	-
Decrease in cash and cash equivalents resulting from change in accounting period	(26,113)	
Cash and cash equivalents at end of period	35,594	45,870