

# Consolidated Balance Sheets

September 30, 2014

| <b>ASSETS</b>                                | Thousands of Yen |
|--|------------------|
| <b>Current assets</b>                        |                  |
| Cash and deposits                            | 1,827,405        |
| Notes and accounts receivable-trade          | 2,006,731        |
| Securities                                   | 25,209           |
| Finished goods                               | 779,353          |
| Work in process                              | 362,922          |
| Raw materials and supplies                   | 401,685          |
| Other  | 34,086           |
| Allowance for doubtful accounts              | △ 2,008          |
| <b>Total current assets</b>                  | <b>5,435,386</b> |
| <b>Noncurrent assets</b>                     |                  |
| Property, plant and equipment                |                  |
| Machinery, equipment and vehicles            | 15,857,020       |
| Accumulated depreciation and impairment loss | △ 14,590,518     |
| Machinery, equipment and vehicles, net       | 1,266,502        |
| Other  | 6,735,960        |
| Accumulated depreciation and impairment loss | △ 5,298,900      |
| Other, net                                   | 1,437,059        |
| Total property, plant and equipment          | 2,703,561        |
| Intangible assets                            | 30,448           |
| Investments and other assets                 |                  |
| Investment securities                        | 974,911          |
| Other  | 68,838           |
| Allowance for doubtful accounts              | △ 0              |
| Total investments and other assets           | 1,043,749        |
| <b>Total noncurrent assets</b>               | <b>3,777,760</b> |
| <b>Total assets</b>                          | <b>9,213,146</b> |

# Consolidated Balance Sheets

September 30, 2014

| <b>Liabilities</b>                                    | Thousands of Yen |
|---|------------------|
| <b>Current liabilities</b>                            |                  |
| Notes and accounts payable-trade                      | 701,510          |
| Short-term loans payable                              | 700,000          |
| Income taxes payable                                  | 13,426           |
| Notes payable-facilities                              | 8,432            |
| Other   | 315,201          |
| Total current liabilities                             | 1,738,570        |
| <b>Noncurrent liabilities</b>                         |                  |
| Deferred tax liabilities                              | 169,757          |
| Provision for environmental measures                  | 9,322            |
| Net defined benefit liability                         | 638,228          |
| Asset retirement obligations                          | 7,141            |
| Other   | 27,573           |
| Total noncurrent liabilities                          | 852,023          |
| <b>Total liabilities</b>                              | <b>2,590,593</b> |
| <b>Net assets</b>                                     |                  |
| <b>Shareholders' equity</b>                           |                  |
| Capital stock   | 2,219,588        |
| Capital surplus                                       | 3,341,270        |
| Retained earnings                                     | 949,332          |
| Treasury shares                                       | △ 85,997         |
| Total shareholders' equity                            | 6,424,194        |
| <b>Accumulated other comprehensive income</b>         |                  |
| Valuation difference on available-for-sale securities | 231,455          |
| Deferred gains or losses on hedges                    | △ 110            |
| Remeasurements of defined benefit plans               | △ 32,986         |
| Total accumulated other comprehensive income          | 198,358          |
| <b>Total net assets</b>                               | <b>6,622,552</b> |
| <b>Total liabilities and net assets</b>               | <b>9,213,146</b> |

Consolidated Income Statement and Consolidated Statement of Comprehensive  
Income

six months ended September 30, 2014

|   | Thousands of Yen |
|---|------------------|
| <b>Net sales</b>  | 3,012,541        |
| <b>Cost of sales</b>                                      | 2,476,758        |
| <b>Gross profit</b>                                       | 625,782          |
| <b>Selling, general and administrative expenses</b>       |                  |
| Salaries and bonuses                                      | 271,749          |
| Retirement benefit expenses                               | 14,418           |
| Provision of allowance for doubtful accounts              | 24               |
| Other   | 374,519          |
| Total selling, general and administrative expenses        | 660,712          |
| <b>Operating loss</b>                                     | △ 34,929         |
| <b>Non-operating income</b>                               |                  |
| Interest income   | 244              |
| Dividend income   | 10,352           |
| Foreign exchange gains                                    | 3,818            |
| Other   | 3,513            |
| Total non-operating income                                | 17,928           |
| <b>Non-operating expenses</b>                             |                  |
| Interest expenses   | 4,747            |
| Other   | 367              |
| Total non-operating expenses                              | 5,115            |
| <b>Ordinary loss</b>                                      | △ 22,116         |
| <b>Extraordinary loss</b>                                 |                  |
| Loss on retirement of noncurrent assets                   | 583              |
| Legal fee   | 17,326           |
| Total extraordinary losses                                | 17,909           |
| <b>Loss before income taxes and minority interests</b>    | △ 40,026         |
| <b>Income taxes-current</b>                               | 4,264            |
| <b>Income taxes-deferred</b>                              | —                |
| <b>Total income taxes</b>                                 | 4,264            |
| <b>Loss before minority interests</b>                     | △ 44,290         |
| <b>Net loss</b>   | △ 44,290         |
| <b>Loss before minority interests</b>                     | △ 44,290         |
| <b>Other comprehensive income</b>                         |                  |
| Valuation difference on available-for-sale securities     | 57,922           |
| Deferred gains or losses on hedges                        | 27               |
| Remeasurements of defined benefit plans, net of tax       | 4,057            |
| Total other comprehensive income                          | 62,007           |
| <b>Comprehensive income</b>                               | 17,717           |
| <b>Comprehensive income attributable to</b>               |                  |
| Comprehensive income attributable to owners of the parent | 17,717           |
| Comprehensive income attributable to minority interests   | —                |

Consolidated Statements of Cash Flows

six months ended September 30, 2014

Thousands of Yen

|   |                 |
|---|-----------------|
| <b>Net cash provided by (used in) operating activities</b>          |                 |
| Loss before income taxes and minority interests                     | △ 40,026        |
| Depreciation  | 99,878          |
| Loss on retirement of property, plant and equipment                 | 503             |
| Loss on retirement of long-term prepaid expenses                    | 79              |
| Increase (decrease) in net defined benefit liability                | △ 845           |
| Increase (decrease) in accounts payable-officers retiring allowance | △ 20,610        |
| Increase (decrease) in accounts payable-bonuses                     | △ 165           |
| Increase (decrease) in allowance for doubtful accounts              | 24              |
| Interest and dividend income  | △ 10,597        |
| Interest expenses   | 4,747           |
| Foreign exchange losses (gains)                                     | △ 297           |
| Decrease (increase) in notes and accounts receivable-trade          | △ 22,788        |
| Decrease (increase) in inventories                                  | 30,710          |
| Increase (decrease) in notes and accounts payable-trade             | 48,236          |
| Increase (decrease) in accrued consumption taxes                    | △ 5,691         |
| Other, net  | △ 12,583        |
| Subtotal  | 70,575          |
| Interest and dividend income received                               | 10,567          |
| Interest expenses paid  | △ 4,784         |
| Income taxes paid   | △ 8,527         |
| <b>Net cash provided by (used in) operating activities</b>          | <b>67,831</b>   |
| <b>Net cash provided by (used in) investing activities</b>          |                 |
| Payments into time deposits   | △ 505,000       |
| Proceeds from withdrawal of time deposits                           | 505,000         |
| Purchase of property, plant and equipment                           | △ 17,700        |
| Purchase of intangible assets                                       | △ 347           |
| Collection of long-term loans receivable from employees             | 774             |
| Other, net  | 130             |
| <b>Net cash provided by (used in) investing activities</b>          | <b>△ 17,142</b> |
| <b>Net cash provided by (used in) financing activities</b>          |                 |
| Repayments of lease obligations                                     | △ 13,139        |
| Purchase of treasury stock  | △ 516           |
| Cash dividends paid   | △ 38,324        |
| <b>Net cash provided by (used in) financing activities</b>          | <b>△ 51,979</b> |
| Effect of exchange rate change on cash and cash equivalents         | 1,188           |
| Net increase (decrease) in cash and cash equivalents                | △ 102           |
| <b>Cash and cash equivalents at beginning of period</b>             | <b>737,718</b>  |
| <b>Cash and cash equivalents at end of period</b>                   | <b>737,615</b>  |